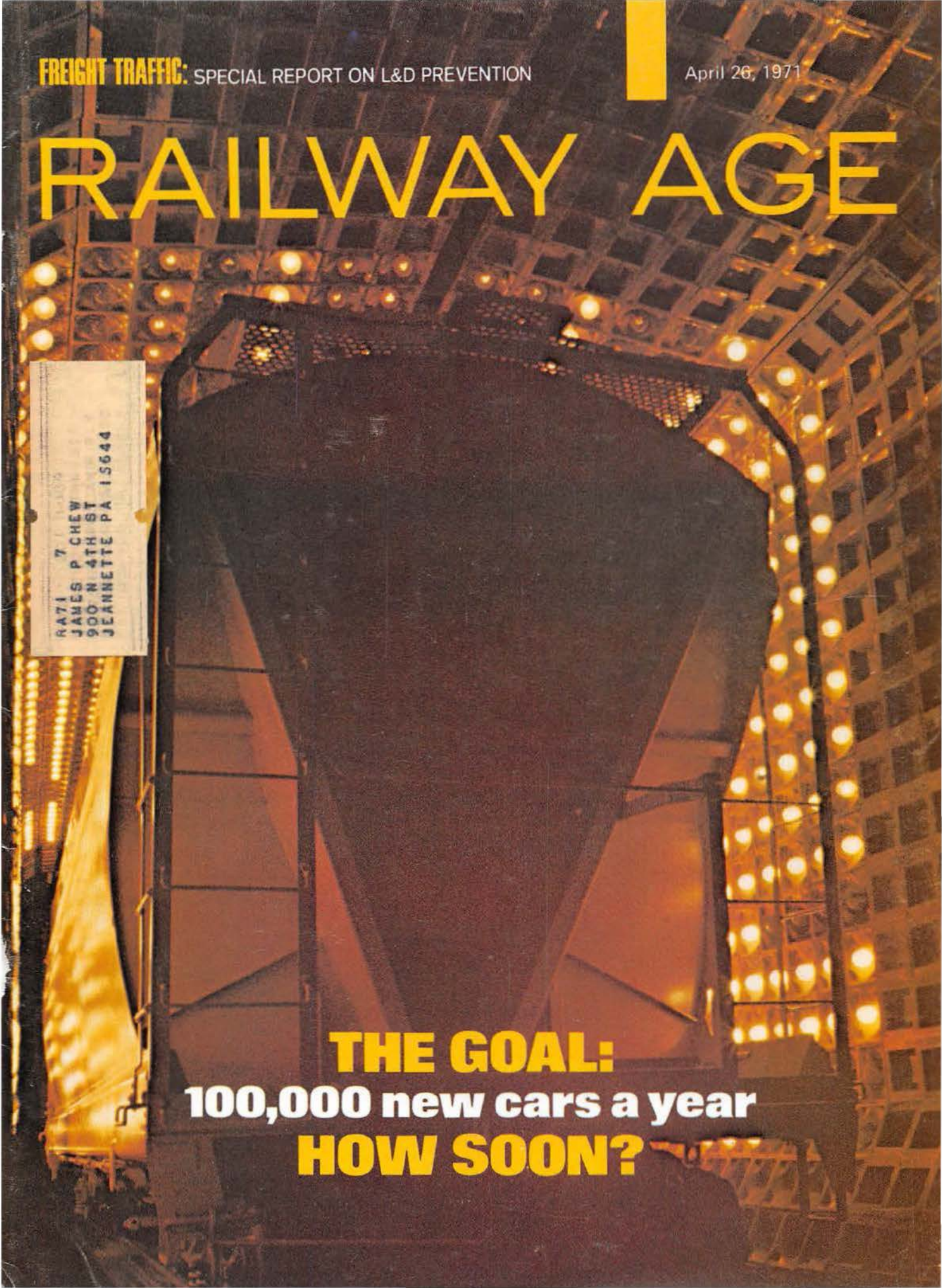
FREIGHT TRAFFIC: SPECIAL REPORT ON L&D PREVENTION

April 26, 1971

RAILWAY AGE



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THE GOAL:
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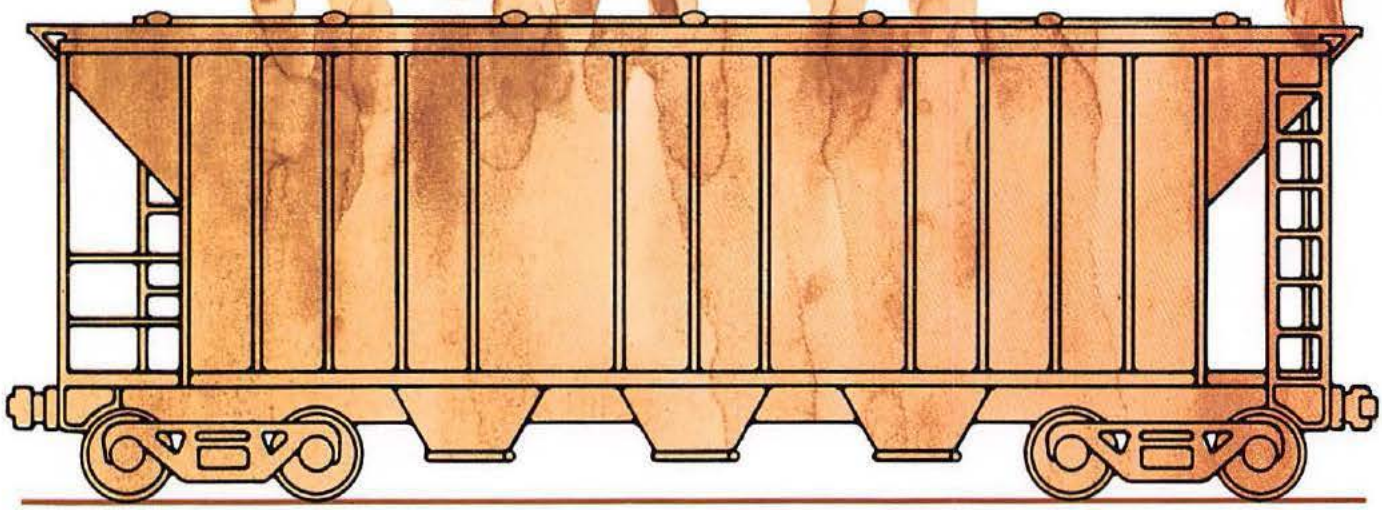
CORROSION CORRODES PROFITS



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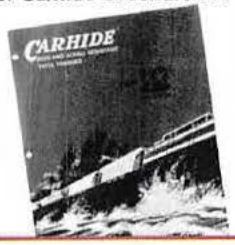

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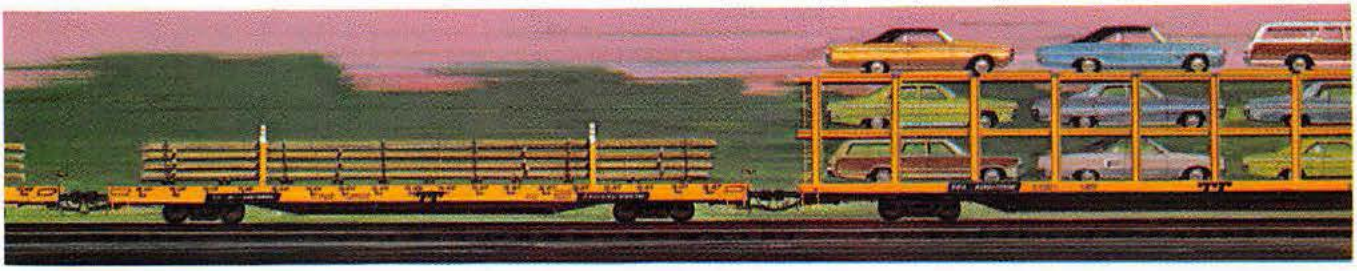

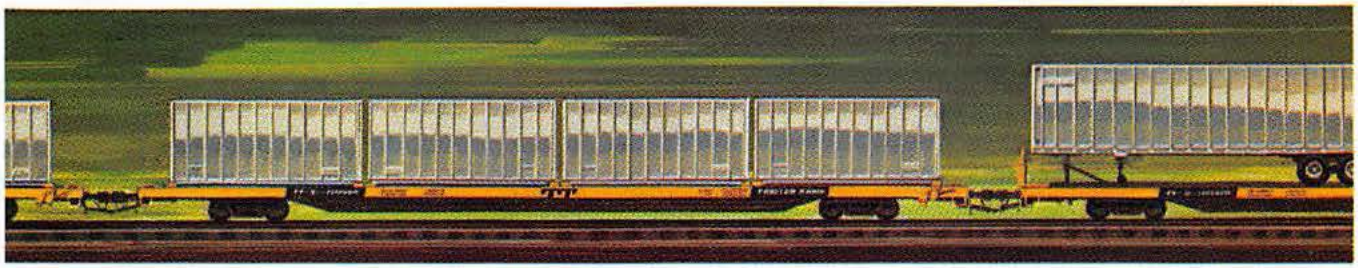

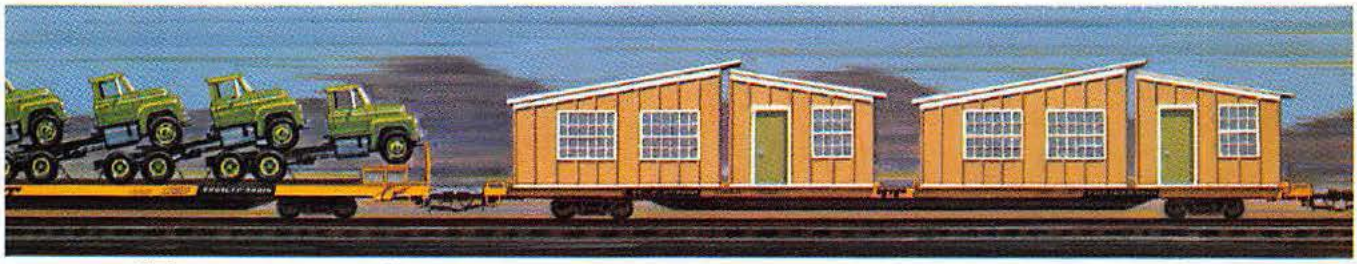

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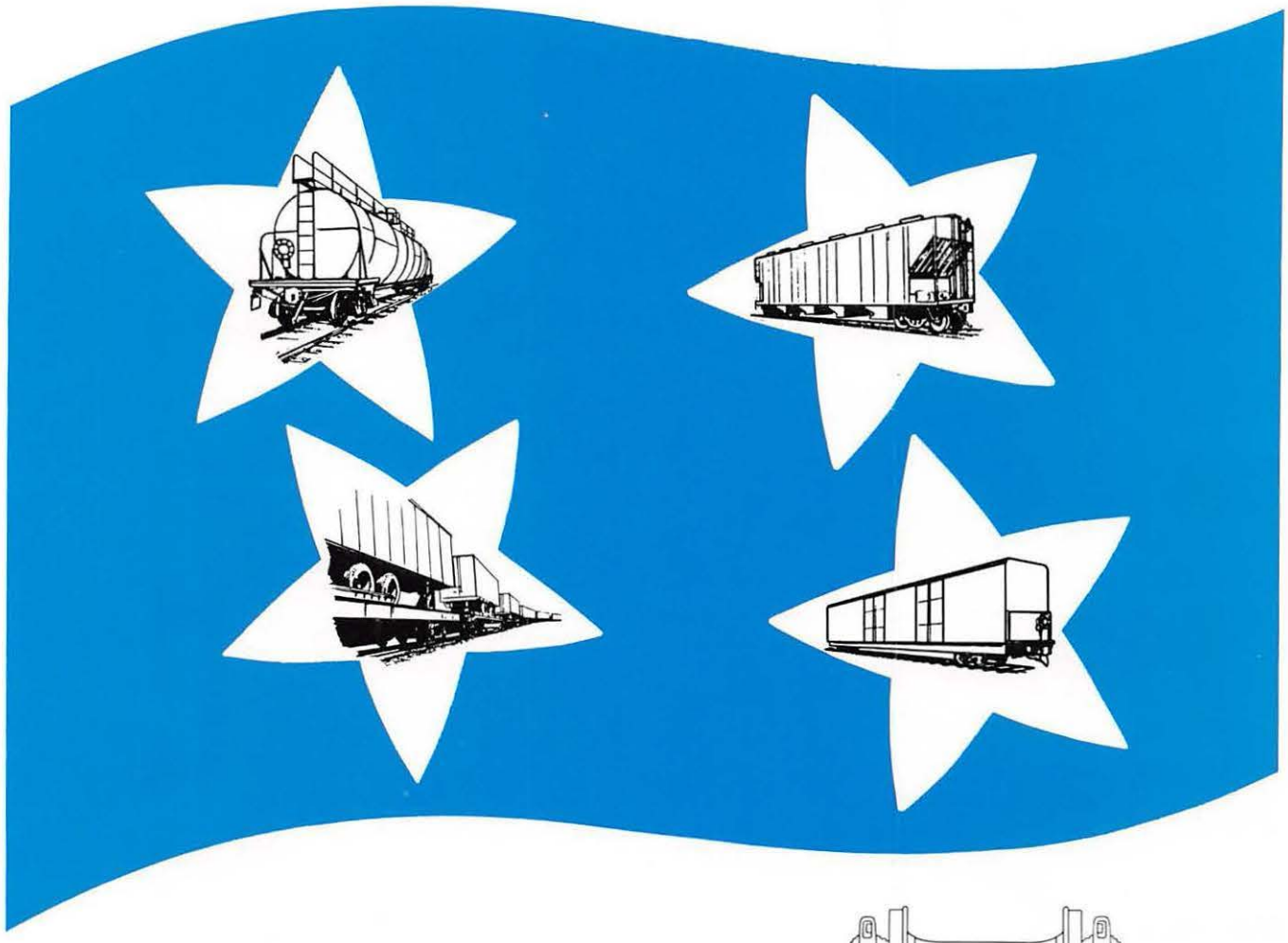

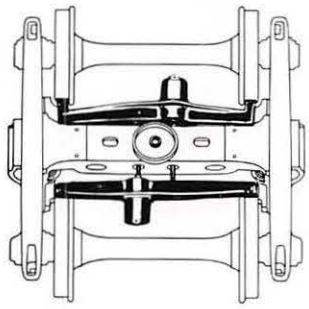

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RAILWAY AGE

April 26, 1971 • Vol. 170 No. 8

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Inside

LUTHER MILLER

SHIPPERS SPEAK OUT

"Car supply is our most critical issue," declared William L. Bush, director of transportation for the Weyerhaeuser Co., Tacoma, Wash., in his reply to Railway Age's April Traffic Poll. "I would venture to say," added Mr. Bush, "that this questionnaire should stimulate more response than any in the history of your good magazine."

He was correct. A total of 131 fired-up traffic managers participated in the April poll—the greatest number in the 13-year history of this shipper feature. For what shippers have to say about this "most critical issue," see p. 23. Railroad and supplier views are reported by Gus Welty starting on p. 19.

This issue of Railway Age, like all Freight Traffic Issues, will go to 10,176 shippers, in addition to our railway readers.

WHAT'S IN A NAME . . . ?

am•trac *or* **am•track**/'am•,trak/*n* -s[*amphibious* + *tractor*]
: AMPHIBIAN

For a generation of American soldiers and sailors, "amtrack" has just one meaning: a noisy, uncomfortable, ponderously slow (5 mph on land, 3 mph at sea) vehicle that few who ever rode in it remember with affection.

"Maybe the fellows at Lippincott & Margulies are just too young to remember," suggested one amtrack veteran last week. In any case, L&M, the image-making firm engaged by the National Railroad Passenger Corp., has selected "AMTRAK" as the "new marketing name" that will contribute to "a vigorous new look" for the corporation that has heretofore been universally known as RAILPAX.

Not only was RAILPAX rejected. So was AMRAIL, and all other combinations suggesting that the new corporation will, in fact, run trains on rails.

We will probably get used to AMTRAK. Even the accompanying arrow in the new logo is handsome, if pointless (it has a tail, but no head).

What is more fundamentally troubling is the hang-up which the incorporators and their consultants seem to have about rails, railroads, railroaders—anything, in fact, containing that offending word.

A former airline executive has been picked to head the corporation. Airlines have been asked to offer their suggestions. The railroaders working with the corporation are very much behind the scenes. "Anyone who has ever worked for a railroad is 'tainted' at Railpax," says one of these men.

One gets the impression, sometimes, that the incorporators and their consultants would be a lot happier with their new corporation except for one thing. One day soon they are going to have to come down to earth and start running trains. On rails.

"We need you. And you need Penn Central!"

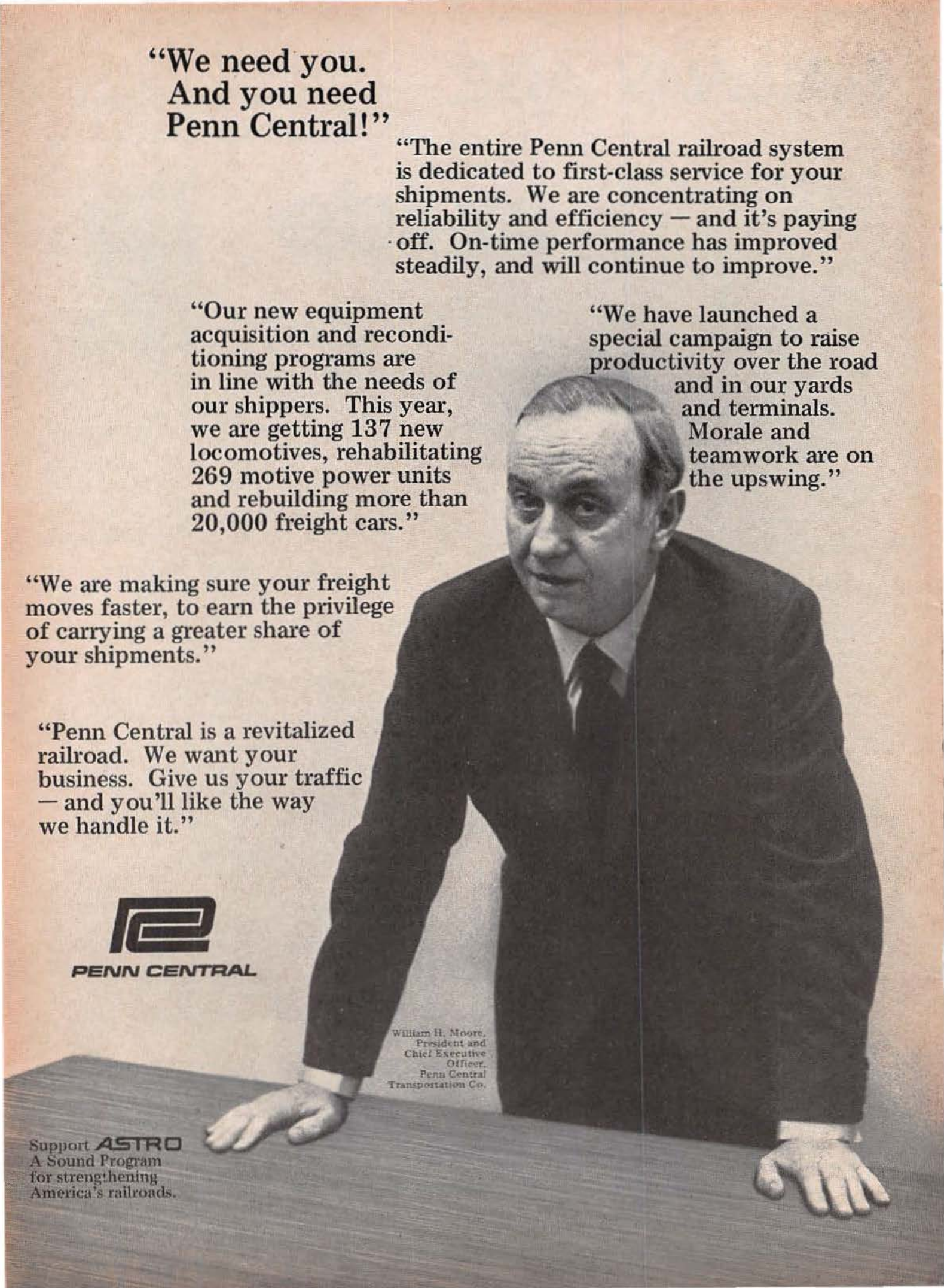
"The entire Penn Central railroad system is dedicated to first-class service for your shipments. We are concentrating on reliability and efficiency — and it's paying off. On-time performance has improved steadily, and will continue to improve."

"Our new equipment acquisition and reconditioning programs are in line with the needs of our shippers. This year, we are getting 137 new locomotives, rehabilitating 269 motive power units and rebuilding more than 20,000 freight cars."

"We have launched a special campaign to raise productivity over the road and in our yards and terminals. Morale and teamwork are on the upswing."

"We are making sure your freight moves faster, to earn the privilege of carrying a greater share of your shipments."

"Penn Central is a revitalized railroad. We want your business. Give us your traffic — and you'll like the way we handle it."



PENN CENTRAL

William H. Moore, President and Chief Executive Officer, Penn Central Transportation Co.

Support ASTRO
A Sound Program
for strengthening
America's railroads.

RAILWAY AGE

April 26, 1971

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COVER

The four-color photograph shows a Center Flow dry bulk materials car going through a paint-drying oven in ACF Industries' Huntington, W. Va., plant. The paint dries, from the inside out, in 10 minutes. The picture was taken for ACF by Bob Colton, a free-lance photographer.

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Short and Significant

THE INDUSTRY

CP STUDIES ELECTRIFICATION DATA

CP Rail, which is considering electrifying 850 miles of its main line west of Calgary, is now analyzing data collected in late-winter tests which its research and operating departments conducted in Norway and Switzerland (RA, March 8, p. 42). "The European tests seem to have been a complete success," said H. M. Romoff, CP Rail's manager of research, as computerized analysis of the data got under way. Swiss and Norwegian test sites were chosen for their topographic and climatic similarities to CP's mountain lines. Performance characteristics of various types of 5,000-hp electric locomotives were recorded during the tests.

TRAIN ACCIDENTS DOWN 6.8%

For the first time in nine years, train accidents and resulting casualties declined "significantly" in 1970, reports FRA's Bureau of Railroad Safety. Director Mac E. Rogers said there were 583 fewer accidents than the 8,543 reported in 1969, a drop of 6.8%. Casualties dropped more than 8%. Employee fatalities declined 12.4%, and employee injuries were down by 6.8%. Grade crossing accidents in 1970 resulted in 1,469 deaths, a 1.5% decline from 1969.

PULLMAN INC. TO ACT AS PC CAR LESSOR

A fleet of 1,251 covered hopper cars, valued at $22.3 million, will be leased to Penn Central by Pullman Inc. The parent firm of Pullman-Standard, which will begin building the cars in August, has agreed to serve as lessor—or assign the lease—following court approval earlier this month of the lease plan. The plan consists of a 15-year basic finance lease with options to take two five-year lease extensions or purchase the cars outright. (RA, April 12, p. 8.)

NO EXTENSION ON ACI LABELING DEADLINE

For the first time in three and one-half years, railroads won't be facing a deadline for application of Automatic Car Identification labels on interchange rail equipment. An estimated 5% to 10% of the eligible freight-car fleet has managed to elude labelers. However, the AAR Mechanical Division says it is sticking to the upcoming May 1 labeling deadline, and there won't be any more extensions. Since approving the KarTrak ACI system in 1967, the AAR has set or re-set the deadline five times to get the red-white-blue-black retro-reflective labels on all cars in the interchange fleet. Meanwhile, things haven't been going too well with the ACI scanner installation program. Only about 125 scanners, or 2.5% of the ACI network's estimated full requirements, are installed.

UP SIGNS COAL-DEVELOPMENT PACT

Union Pacific has reached an agreement with Eastern Gas and Fuel Associates for the mining and selling of low-sulphur coal. The newly-formed Rocky Mountain Associated Coal Corp. will acquire from a UP subsidiary the Reliance Mine near Rock Springs, Wyo., enlarge it to 1.5 million tons a year, and develop several additional mines. The new company plans an initial investment of $10 million. UP Chairman Frank E. Barnett said the agreement "represents a major advance in our efforts to develop Union Pacific's Rocky Mountain low sulphur coal reserves."

WASHINGTON

EXPOSITION PLANS GO FORWARD

Air, rail, highway and marine exhibits will share the spotlight at the first U. S. International Transportation Exposition to be held at Dulles International Airport, Washington, May 27 through June 4, 1972. In addition to two exhibit halls covering 310,000 square feet, an additional 600,000 square feet of outdoor space has been set aside for display and demonstration of "every advanced system of transportation in existence or under development in the world today," says the sponsoring U. S. Department of Transportation. The New York firm of Clapp & Poliak will handle sale of exhibit space and all promotion work, on a percentage fee basis.

PELL URGES RIGHT-OF-WAY TAKEOVER

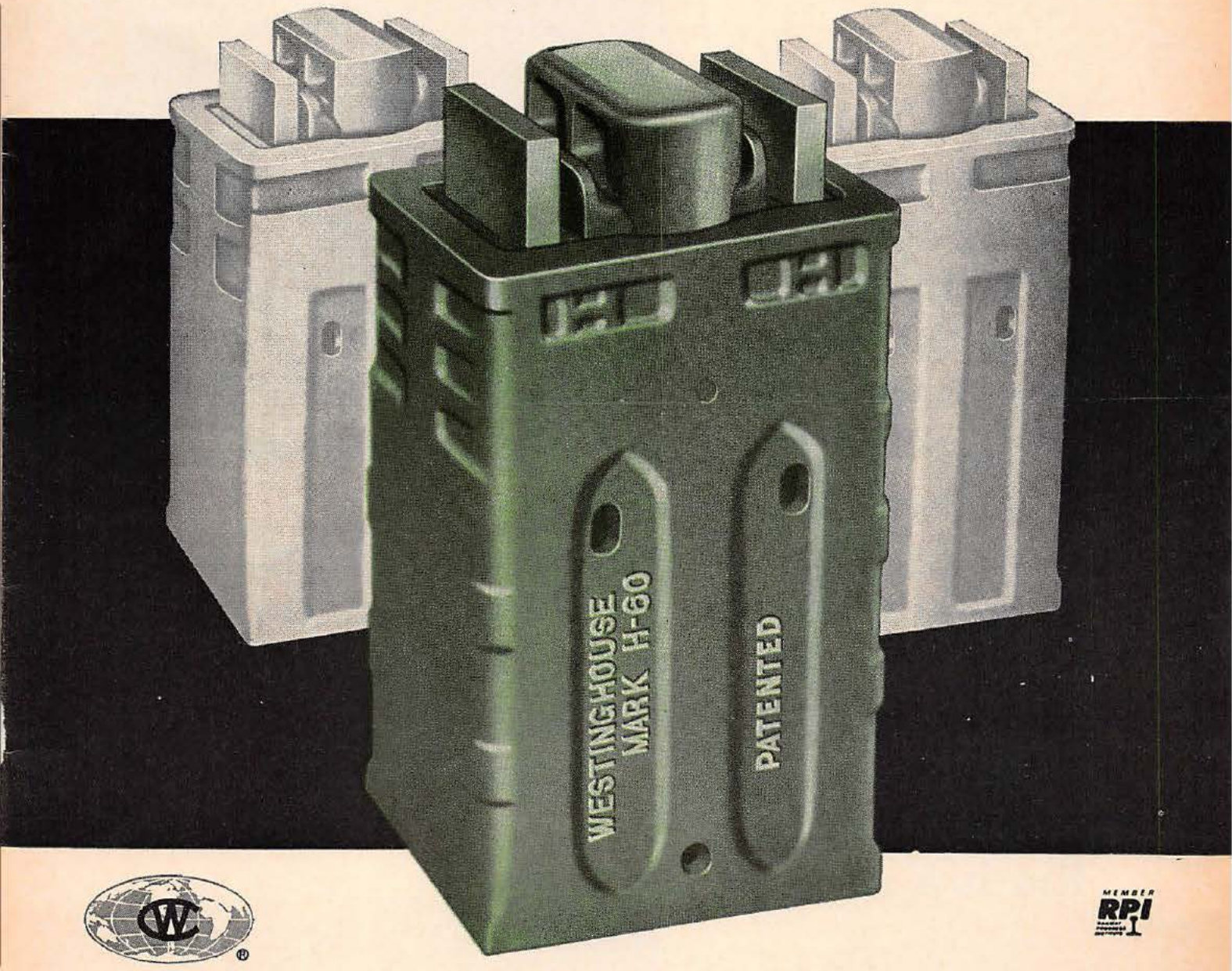
Sen. Claiborne Pell (D.-R.I.) wants the Federal government to create a public authority which, in exchange for revenue bonds, would assume ownership of all railroad rights-of-way. The new authority would then lease track back to rails. A U. S. takeover, thinks Pell, would make roadbeds liquid assets of rails, recapitalize the industry, and free it of a large amount of debt. Similar proposals in recent years have got nowhere.

MARK H-60
THE 2-IN-1 GEAR

Six years ago—a challenge—How can one gear be made to do the work of two without an increase in size or travel? In two years, Cardwell Westinghouse Research and Development had the answer—the Mark H-60.

The H-60 has the equivalent energy absorbing capacity of *two* Mark 50 gears. This remarkable achievement in the science of draft gear engineering is accomplished by the addition of a hydraulic booster unit to the normal spring complement. The powerful hydraulic unit supplements the spring resistance to produce the multiplication of total draft gear capacity.

During the four-year period of varying service conditions, the H-60 established a dependable record along with its predecessors – the Mark 50 and Mark R-500. Applicable to all classes of cars with 24⅝ inch pockets. *Meets A.A.R. Specification M-901G.* Tomorrow's draft gear is here today – Consider the H-60 as a must for cars 100-ton and over!



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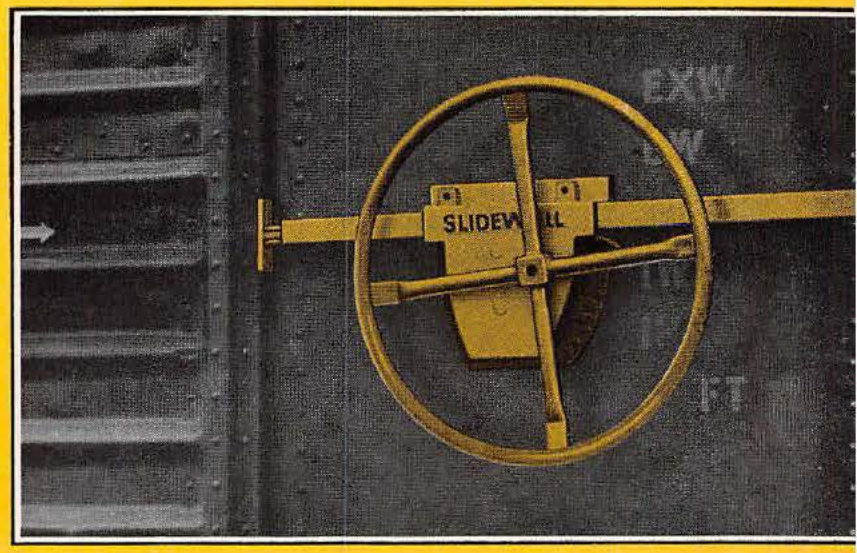
? HOW NEW IS A NEW BOX CAR?



If you think your brand new box cars (equipped with either sliding or plug doors) are not obsolete, you don't know about the Hennessy Slidewell Door Control!

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RAILWAY AGE
NEWS

As May 1 nears: Call it Amtrak—and color it red

It will be known officially not as Railpax but as Amtrak. Its symbol will be a handsome through headless arrow (see cut). Its president, barring a last-minute switch in signals, will be Roger D. Lewis, a former vice president of Pan American World Airways and more recently president of General Dynamics, where his 1970 salary was $178,212 (about $28,000 more than the new job will pay, including fringes).

Southern Railway will not be a charter member, nor will Southern-controlled Alabama Great Southern (though Central of Georgia is in). Rock Island opted out earlier; Rio Grande was an eleventh-hour cliff-hanger. But contracts with all other intercity-passenger roads were signed and delivered with time to spare. These contracts, said the Department of Transportation, will mean a first-year operating loss of $112 million for the fledging Amtrak—but for participating roads they add up to a $225 million increase in net, based on 1969 figures, said DOT.

That was the picture last week as the National Railroad Passenger Corp., created by a 1970 Act of Congress, tried to meet its May 1 deadline for assuming responsibility for intercity passenger trains.

After four months of frenetic (and sometimes acrimonious) negotiation and start-up preparations, Amtrak and the railroads appeared to be on a more or less smooth track. But there were late efforts in Congress to throw up roadblocks.

Even as Amtrak was printing 50,000 red, white and blue route schedules, an irate House Commerce Committee Chairman, Harley O. Staggers, was calling the incorporators up to Capitol Hill to testify on no fewer than 20 bills introduced by equally irate Congressmen seeking to delay or refinance Amtrak.

Chairman Staggers told Amtrak Chairman David W. Kendall: "More than half the members of Congress have told me that [Amtrak] should be stopped and killed now. I never would have voted for it or put my name on the bill setting you up had I known the Act would be so distorted."

THE CHIEF:
Ex-airline executive Roger Lewis

Kendall replied patiently, stating the obvious: that the incorporators, given Amtrak's funding, had done the best they could. Said Kendall: "It is perfectly understandable that a great many questions have been raised about the number of trains and the routes we have selected. There is pride, nostalgia, a lot of history and in some areas of the country public concern. . . . But if we are going to make this system work as Congress intended, the key word and the key consideration must be realism."

Incorporator John J. Gilhooley reminded the committee that Section 403 (b) of the Act provided a mechanism whereby State, regional or local agencies could request passenger service not designated within the basic system, if they paid two-thirds of the deficit. He cited Ohio Gov. John J. Gilligan's pledge to raise $1.35 million to keep four daily trains running through Cleveland and Toledo as his state's portion of a Buffalo-to-Chicago service. Gilhooley said chances were good that a regional compact could be entered into to provide service over the "water level" route. New York, Pennsylvania and Indiana, he noted, would have to raise funds for their share.

Most observers thought there was only a slim chance for any legislation affecting Amtrak's status at this late date. They viewed the hearings as an exercise in sound and fury designed to placate constituencies.

THE SYMBOL:
A blend of "American" and "track"

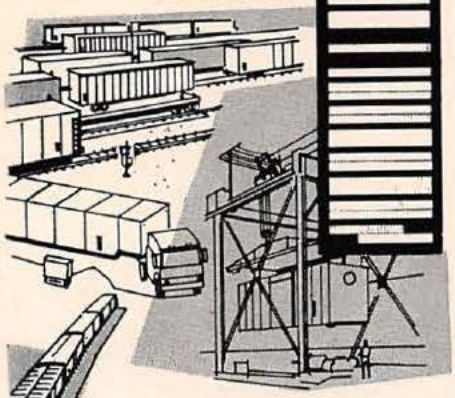
The biggest hurdle appeared to have been surmounted with the signing of contracts. Railroads will be reimbursed for solely-related costs, plus the reasonable value of terminal services required, plus 5% to cover additional avoidable but unidentifiable costs. This 5% override (which some mistakenly spotted as a "profit" for the railroads) represented a compromise between nothing, which Amtrak offered, and 10% requested by the carriers. This provision means Amtrak will pay railroads about $210 million the first year—1970 solely-related costs plus 5%.

The other critical contract provision concerned labor protection. Railroads and unions deadlocked, and on April 16 Labor Secretary James D. Hodgson imposed a settlement, thus releasing the contracts for signature. Under his order, railroads must provide full wages and benefits on a monthly basis for up to six years for any employee laid off due to Amtrak. For Penn Central, this provision will cost about $77.1 million—or an average of $35,000 for each of 2,187 employees it says it will lay off.

Southern President W. Graham Claytor, Jr., said his system, though not signing, intends "to cooperate in every feasible way . . . in operating that portion of its service which has been designated as included in the national system." He said the decision reflects no lack of confidence "in the ultimate success of Amtrak."

THINKING ACI SAVINGS?

ACI Systems Corp



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Circle 7 on coupon page 39

Quaker Oats offers anti-L&D program

A self-study program to help reduce damage to, and loss of, special grocery-products railroad cars has been produced by the Quaker Oats Co. The magnitude of the damage and attendant repair costs to railroads has prompted the carriers to consider discontinuing the supply of specially equipped cars. This would be a multi-million-dollar loss to the food industry.

The Quaker program consists of two printed units. One—entitled "Handling Specialized Railroad Equipment —A Key to Improving Warehouse Operations"—is for warehouse employees who form loading and unloading crews. Major goals of this unit are to point out the problem, show employees how it can be minimized and to demonstrate how employees can benefit from unitized shipments in special railroad cars. The second unit is called "Reducing Damage to Specialized Railroad Equipment—A Challenge to Warehouse Supervisors." This is designed for supervisors of loading and unloading crews.

The self-study program was prepared by the Learning Systems Development Corp. in conjunction with key Quaker personnel. Both units are being offered by Quaker at its cost of printing, handling and postage. Each is priced at 75 cents. They are available from the company's Customer Programs, 345 Merchandise Mart, Chicago, Ill. 60654.

Speed-up sought on rates, abandonments

Penn Central trustees have proposed amendments to the Interstate Commerce Act that would permit bankrupt carriers to (1) obtain prompt rate increases on non-compensatory traffic and (2) speed up line abandonment proceedings.

Under the proposed legislation, rates and charges certified by the trustees to be below-cost could be increased without suspension—subject to later investigation and refund to shippers if the increase were found to be unlawful. The carrier could also withdraw from participation in joint rates where its share of the revenue was found by the trustees to be less than long-term variable costs of performing its share of the service.

Another amendment would permit a railroad in reorganization to abandon a line, or operations on it, on 30 days' notice provided the ICC did not object.

The test would be the financial effect of the branch line operation on the railroad. The Commission could require continued operation for an additional four months pending investigation, or permit discontinuance of operations but not abandonment during the same period. If the investigation determined that the line was being operated at a loss, the ICC would be required to approve its abandonment unless funds were made available from some governmental source to cover the losses.

At the present time, Penn Central trustees told the House Subcommittee on Transportation and Aeronautics, there is no statutory time limit for deciding abandonment cases, and some have lasted for years.

REMSA elects Powell as president

At the annual meeting of the Railway Engineering-Maintenance Suppliers Association in Chicago, a new slate of officers was elected. E. J. Powell (Railway Maintenance Corp.) was advanced from first vice president to president, succeeding Floyd Johnson (CF&I Steel Corp.). R. G. Wade (Fairmont Railway Motors, Inc.) was promoted from second vice president to first vice president. L. A. Grego (Pettibone Corp.) was moved up from treasurer to second vice president. F. J. Cullen (Western Railroad Supply Co.), secretary, was elected treasurer. J. R. Rushmer (Nordberg Mfg. Co.), was elected secretary. New directors elected for a three-year term are: C. L. Coy, Tamper, Inc.; J. H. Hines, Unit Rail Anchor Co.; and Emrick Pohling, Abex Corp.

New unit train for CF&I, C&W, D&RGW

Coking coal for CF&I Steel's Pueblo, Colo., plant is now moving by unit train, in a year-around operation involving Colorado & Wyoming and Denver & Rio Grande Western. Two 40-car trains are working on a train-a-day schedule between CF&I's Allen mine near Trinidad, Colo., and the steel plant, with C&W handling the movement from origin to Jansen, Colo., and Rio Grande taking it the rest of the way. New facilities at the mine will permit loading at a rate of 1,200 tons per hour; at destination, rapid-discharge cars (provided by C&W) will drop the coal into dumping pits.

It's official: Ingram goes to FRA

John Ingram's selection as Federal Railroad Administrator was announced weeks ago in most of the interested news media; now the Department of Transportation has made it official. Ingram, Illinois Central's vice president of marketing since 1966, has become the third railroad man to head the FRA. His predecessors: A. Scheffer Lang, formerly of the New York Central, who was the first Administrator of FRA and who is now teaching at the Massachusetts Institute of Technology; and Reginald N. Whitman, ex-Great Northern general manager—lines east, who quit the FRA to become president of the Katy Railroad in the summer of '70.

During the long period when FRA was without a permanent administrator, deputy Carl Lyon served as acting head. He will stay on in that role, say DOT sources. Ingram was chosen for the post early this year, but DOT was slow in getting around to having him cleared with the White House and with the FBI. In announcing Ingram's appointment April 8, DOT Secretary John A. Volpe said the former IC officer's "knowledge of the economics of railroading will contribute substantially to the Department's effort to provide a unifying national policy for rail transportation."

Industry net drops to $127 million

Railroad ordinary income figures for 1970 had to be revised sharply downward, in the wake of a Penn Central report that its '70 loss was actually $431.2 million and not the previously estimated $309.2 million. The new total for industry ordinary income: $127 million, lowest since 1939.

On a regional basis, both southern and western carriers showed modest income improvement, 1969-to-1970. Southern District income was up from $140 million to $160 million; Western District income edged up from $340 million to $343 million. In the Eastern District, however, a $17-million income in 1969 turned into a $376-million deficit in 1970—first over-all loss for the eastern group since 1961. For the industry, the rate of return was 1.47%.

PC's trustees described the 1970 report as preliminary. Included, they said, were charges totaling $101.5 million, "covering accelerated track retirements and provision for impairment in value of investments held."

Lines on Labor

GUS WELTY

TO ALL THINGS, CHANGE COMES

The winds of change may be picking up just a bit in velocity—and sooner or later, rail labor may feel the breeze. The evidences of this? First, the reaction to the appellate-court ruling in the so-called selective-strike case (RA, April 12, p. 13). Second, the views of Penn Central's overseer court on wages and work rules. Third, the implications of Railpax. Fourth, the impressions that labor itself is creating with what might politely be termed intemperate statements.

ONE COURT GETS REACTION, ANOTHER PROPOSES ACTION

Point 1, the ruling on selective strikes, and the reaction thereto: *The Wall Street Journal* perhaps summed it up best. The court, WSJ observed, gave the United Transportation Union "rather detailed instructions on how to run a strike . . . As a union attorney commented, it was pretty remarkable for a Federal court to be advising a union on strike tactics." And, it might be added, the court even seemed to be breaking new ground in the area of strike management: Or had somebody really been thinking about rotating selective strikes, before the court suggested it?

Point 2, the observations of Judge John P. Fullam, the man in charge of PC reorganization: The judge comes on strong as an advocate of give-and-take. Railroad employees, he says, should be well-paid. But, "the railroad obviously cannot pay employees for work they don't do. It cannot adhere to the antiquated concepts that have permeated the wage structure throughout the railroad industry . . . All parties involved . . . are going to have to do some serious thinking about an over-all revision of the work rules."

RAILPAX RAISES A DOUBT—AND SO DOES UNION NAY-SAYING

Point 3, the implications of Railpax. In effect, the quasi-governmental corporation has said what railroads have been saying for years—i.e., there's no reason to run a lot of the passenger trains that have been running. Rail labor, meanwhile, professes to see some merit in railroad nationalization. But maybe the Railpax decision indicates that government would *not* use nationalized railroads as a social institution.

Point 4, the impression rail labor makes with its consistent nay-saying: In the current round of wage cases, management has sometimes seemed too reluctant to state its case. Labor has seemed too eager. Or to put it another way, there would be no population-explosion, if the wives and lovers of the world said "No" as vehemently as the brothers do. The brothers, however, display their negativism publicly—and even a permissive public can take only so much.

Over the past several weeks, the management/labor scene has been reasonably peaceful. But the one piece of "action" just serves to illustrate Point 4 above: One of the smallest of rail unions gave the conditioned-reflex "No" to an emergency-board report recommending a pattern settlement.

Strange as it may seem, the organizations appear to take some satisfaction from the "bad image" of the railroad industry. Question: How much of that "bad image" are management/labor "relations" responsible for?

GMA receives bids for terminal ACI

The General Managers Association of Chicago has received bids from four companies to provide an automatic car identification information and car-control system. The system would include 109 ACI scanners and 100 decoders at 40 key points in the Chicago terminal district. Information from the scanners would be fed into a central computer complex from which reports would be sent to individual railroads in the district. Prime goals of the system would be to provide the official interchange document between railroads and also to provide advance consists for the various yards in the terminal district. Savings would come about through the reduction in clerical and other labor costs and in per diem expenses, and from improvements in facility utilization.

GMA had asked, at the first of this year, for proposals from manufacturers, either hardware or software firms, to cover installation of the system including scanners and computer hardware, provision for software and other programming support facilities, and operation of the system. Alternates in the proposals are to provide for the GMA setting up a subsidiary office or firm to operate the system.

The four firms supplying proposals are ACI Systems Corp., Executive Computer Systems, IBM Corp., and GTE Information Systems.

The proposals are now being evaluated by the GMA and its ACI task force with the hope that a recommendation can be made to the GMA about June 1. Subsequently, if the GMA membership accepts the recommendations and selects one of the four proposals, there is the possibility that ACI in the Chicago terminal district will be partially operational before the end of 1971.

BN moves the mail—via "Pacific Zip"

Mail service to the Pacific Northwest should be showing an improvement, now that Burlington Northern has put "Pacific Zip" to work. Operating on a daily schedule, the "Zip" departs Chicago at 9 a. m. for its 50-hour run to Seattle. Third and fourth class mail is the primary traffic, about half of it coming from the East via Penn Central and the other half originating in Chicago. And, while the running time is only 13½ hours less than previous schedules, 9 a.m. arrival at Seattle will permit a speedup in actual delivery of as much as 24 hours. BN has set a 30-car limit on the consist (which will include conventional piggyback, Flexi-Van and carload mail).

Rails lose round in Arizona tax case

A rail effort to end discriminatory local taxation of railroad property via the Federal courts has met with defeat.

The U. S. Supreme Court dismissed an appeal brought by Santa Fe and Southern Pacific challenging Arizona's tax assessment system.

In Maricopa County, Ariz., some years ago, rails won a local court ruling that they should be assessed at 40%, as were competing pipelines, instead of at 60%, as mines were. This ruling was overturned by the Arizona Supreme Court which upheld the right of counties to assess rails at 60%, compared with 25% for commercial real estate and 18% for farms and homes.

Santa Fe and SP then appealed to the U. S. Supreme Court. The court on April 5 in a one-page, one-paragraph ruling refused to hear the appeal, although Justice Hugo Black dissented and said the appeal should be heard.

In addition to reducing the assessment rate, the rails also sought to recover taxes already paid: SP in the amount of $2.2 million, and Santa Fe $1.6 million.

841-CJ-2: What kind of train is that?

Another bastion of traditional railroading has fallen to the advance of computer technology. No longer is Santa Fe using the time-honored designation of trains—even numbers/eastbound, odd numbers/westbound. A new system puts specifics into the identification —enabling the computer to crank out vital statistics on a train, as a Santa Fe spokesman puts it, "in the flick of a microvolt."

Each train is now identified by a three-digit number, indicating point of origin, type of traffic and destination. This is followed by a letter code indicating day of departure (single letters for dates 1-26 and combinations for dates 27-to-end-of-month). A final number indicates whether a train is the first, second or third section.

Currently, the system covers nine origin/destination areas and 10 traffic designations. Coupling its data with current-location data in the computer, Santa Fe notes, makes possible projections of arrival which are both fast and accurate.

And what is train No. 841-CJ-2? It originated in southern California (8); it's predominantly perishable traffic (4); it's destined for the immediate Chicago area (1); it originated on the 30th day of the month (CJ); and it's the second section of the train (2).

Rock Island Storekeeper Doug Camp has office, will travel

Railroads have long had job-titles such as "traveling engineer" and "traveling representative" and "traveling storekeeper"—but Rock Island's Doug Camp is adding a new meaning to the title: As traveling storekeeper, he takes the office with him. For close to a year now, Camp and his camper (see photo)—actually, a 22-foot, completely-equipped office and home-away-from-home—have been on the go, covering 32 working stock points and 36 charge-out locations on the RI system. He has logged upwards of 27,000 miles—and has been able to make the road's stores-management operation both more efficient and more economical. In his traveling role, Camp is part-inspector, part-advisor, part-instructor. Since he has his office with him, he is capable of handling virtually any stores problem that might come up at an outlying point. And from a standpoint of economics, RI puts it this way: "Our benefits have more than exceeded what we had projected. We've already saved far more than the unit cost, by reduction in travel expenses and through other economies we've been able to effect."

Shippers plan Portland session

The 34th annual meeting of the National Association of Shippers Advisory Boards, to be held in Portland, Ore., April 28-30, will tackle problems of loss and damage prevention, and car utilization. Piggyback will also be a featured topic.

N. R. Warmack of Houston, vice president of Surfcote, Inc., will moderate a panel on L&D prevention. A session on efficient car use and carload transportation will be chaired by E. W. Beck of River Rouge, Mich., manager of traffic distribution for Whitehead & Kales. A session on small shipments, TOFC and containerization will be headed by P. W. Gosling of Edina, Minn., regional traffic manager for F. W. Woolworth.

Luncheon speakers will be Frank L. Merwin of New York, vice president of American Smelting and Refining and president of the National Industrial Traffic League, April 29; and Monford A. Orloff of Portland, chairman, president and chief executive officer of Evans Products. Allen K. Penttila of Des Plaines, Ill., director of traffic and transportation for Evans, is president of NASAB.

Three ICC members renamed by Nixon

President Nixon on April 8 nominated three present members of the Interstate Commerce Commission for reappointment to their posts. They are Dale Hardin, Virginia Mae Brown, and Laurance K. Walrath.

Commissioners Hardin and Brown will serve new terms expiring Dec. 31, 1977. Commissioner Walrath will serve the remaining two years of Hardin's old term, which expires Dec. 31, 1972. On that date, Walrath will be eligible for full retirement benefits. He was named to the ICC in 1954.

Hardin has been an ICC member since 1967, Mrs. Brown since 1964.

Express Air gets a new identification

With CAB approval, Express Air Freight Inc. will now be known as Santa Fe Air Freight Company. Express is the air freight forwarder which Santa Fe received authority to acquire last October.

Watching Washington

REID BEDDOW

WHITHER THE ICC?

Everyone has huffed and puffed, but ICC's walls haven't come tumbling down. Nor do they seem likely to for three or four more years, if ever. The fix is in, one might say, after all the deregulatory hullabaloo of the last six months. This conclusion, reached after a poll of modal and Congressional sources, does not imply there won't be some reform of ICC by the end of 1972, particularly in the areas of ratemaking or discontinuance proceedings (a highly pleasing reform to rails).

But that reform, possibly generated by ICC itself, won't be the drastic, far-ranging upheaval that seemed possible earlier this year when major Administration and Congressional voices were almost daily breathing fire at the venerable agency.

That was when Senate Majority Leader Mike Mansfield was calling for ICC's dissolution, the President's Council of Economic Advisers was proposing a "gradual" lifting of regulation, Senate Surface Transportation Subcommittee Chairman Vance Hartke was acidly asking aloud just what it was that ICC did, and the President's Advisory Council on Executive Reorganization (the so-called Ash Council after its chairman, Litton Industries President Roy L. Ash) was proposing a merger under a single administrator of ICC, FMC, and CAB.

Those heady days are over; and voices are silent, not to be raised again until Congressional hearings are held later this year.

THE OLD LADY

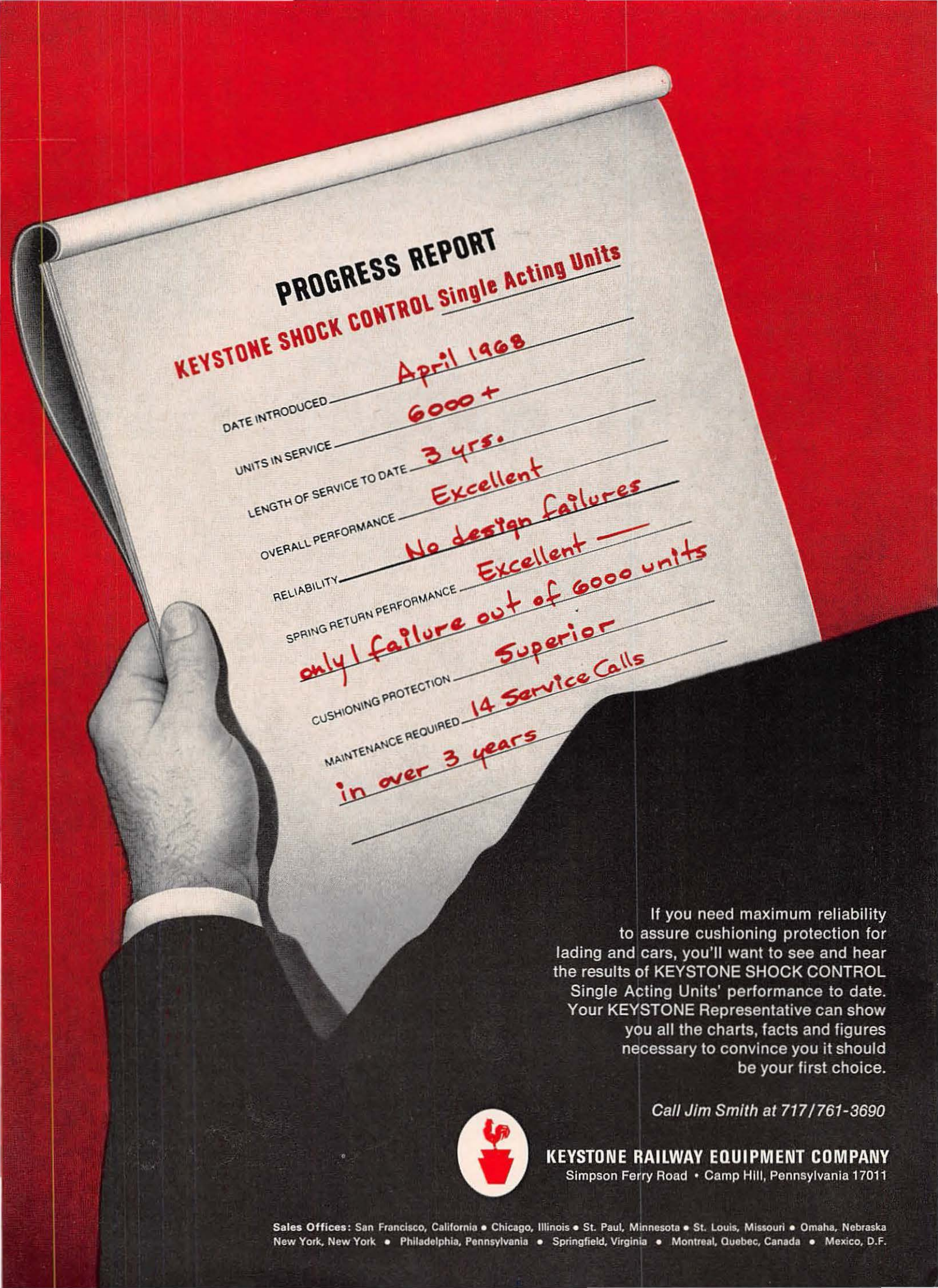
What now seems likely is that Congress after hearing all opinions will take the safe way and not rock the regulatory boat too much. That would be by passing a bill similar to S.784, introduced by Sen. Howard Baker (R.-Tenn.), which would establish a commission to study the whole tangled subject of transport regulation. The Baker proposal would give the study group three years to complete its report. AAR President Stephen Ailes has announced rails favor the bill, and ICC itself urged its passage in early April.

Thus it looks as though The Old Lady has weathered the storms once again. But they surely scared her, so look for more vigorous activity from ICC. The Ash Report put its finger on a tender nerve when it said ICC's plural leadership caused it to have a very "passive profile" that may actually have impeded the growth of a balanced transportation system and profitable industry.

ICC Chairman George M. Stafford knows his agency must be less the eunuch (to mix metaphors), or it will be legislated away. A real question, now that he forcefully has rebutted ICC's critics, is how he proposes to combat ICC's internal resistance to change.

VOLPE PLAYS IT SAFE

DOT Secretary Volpe, who is sometimes accused of favoring one of the established modes over another, will minimize his risks as he opens the official observance of Transportation Week May 21—by riding a bicycle through downtown Washington.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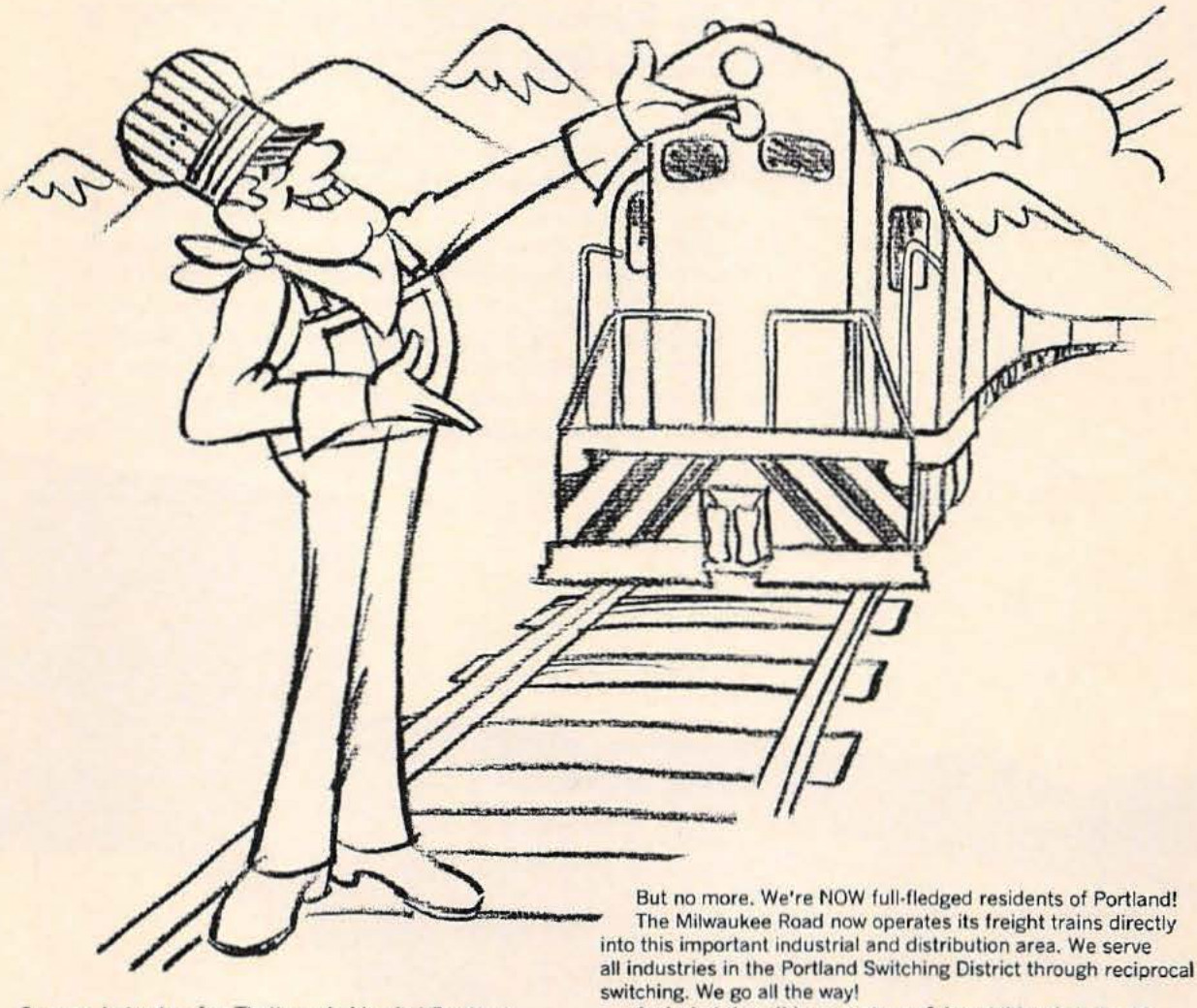
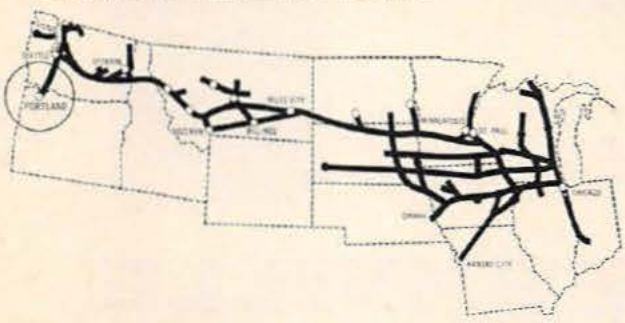


So near, but yet so far. That's probably what Portland thought about the Milwaukee Road. Just out-of-state neighbors from Longview, Washington, 46 miles away.



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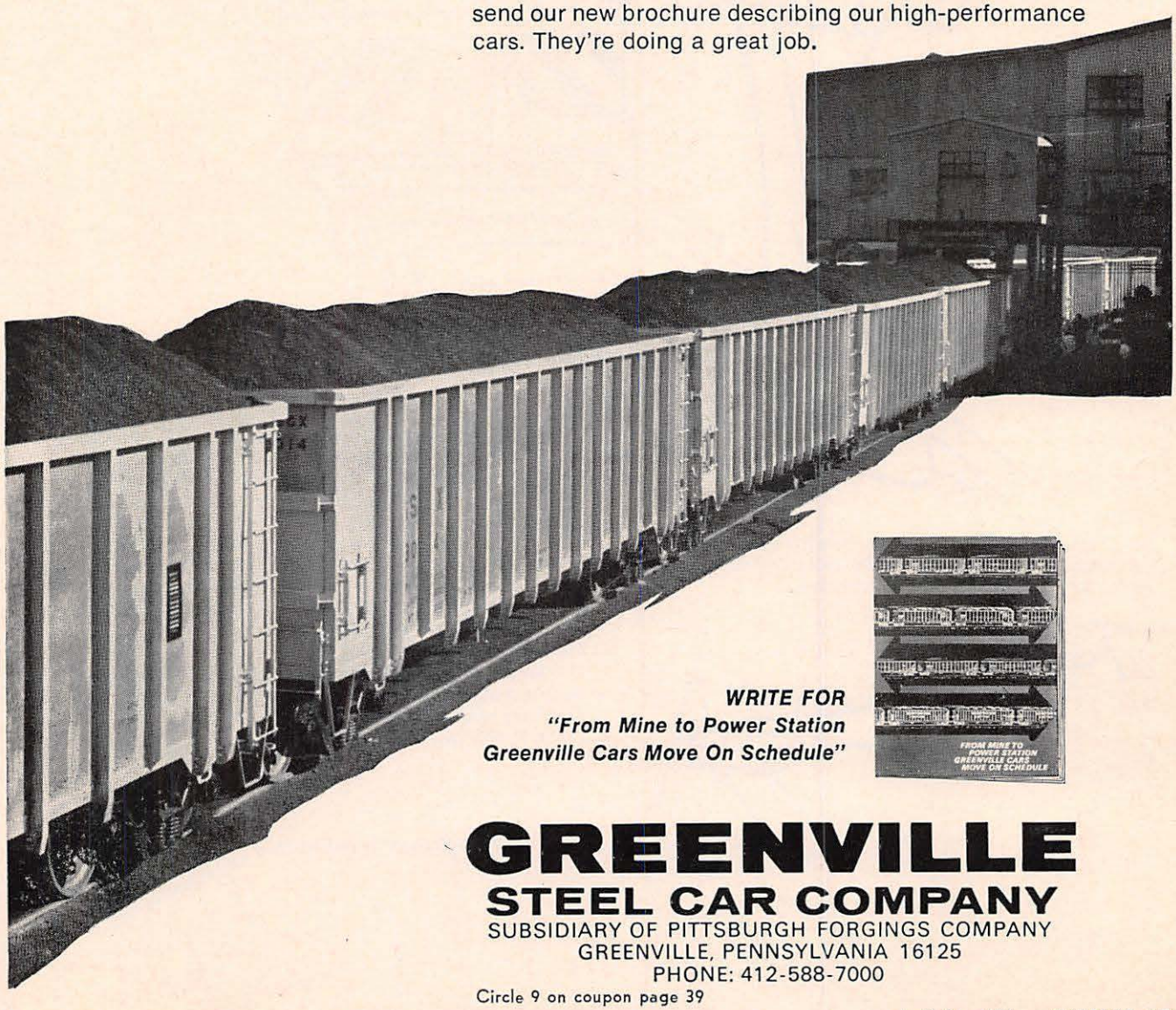

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THE GOAL:
100,000 new cars a year
HOW SOON?

By GUS WELTY, Senior Editor

Orders are now running at the rate of 50,000 a year; one of several pending actions could boost that substantially.

One hundred thousand new freight cars per year.

That has a good, solid ring to it. But what does it mean?

Is the 100,000-car year the millenium? Is it the impossible dream? Would a big increase in the freight-car fleet make better service possible? Or would it create even bigger traffic jams on railroads which already have trouble giving a reasonable and consistent service? Is 100,000-cars-a-year a logical goal? And if it is, is it a goal in search of a plan? And among the many plans that have been proposed, what is really feasible? What would work best?

● **Sharing the problem.** No matter what group you talk with, just about everybody's hurting. Railroads lack available cars to fill orders, and the car-shortage problem is not easing. Shippers are not getting the cars they need, and their complaints about this are perhaps equaled only by their complaints about transit times on cars they do get and load. Carbuilders, like railroads, are suffering from low profit margins if not from an actual lack of business. Government is uptight about car-supply problems in both the regulatory and the legislative area, but as yet neither the regulators nor the legislators have contributed anything more than talk toward a solution to the problems.

This last point could become particularly vexing—because at this point and under present conditions, no solution is possible unless government plays an active part. Railroads don't have the means to make the car fleet what it should be; and, while the shipper-owned and -leased fleet is growing, that growth is not offsetting shrinkage on the railroad side.

A critical situation is developing. And while it develops, (1) the ICC issues orders which may hurt more than they help, while it puts almost total blame for car shortages on the railroads; and (2) Congress, somewhat preoccupied with Penn Central and Railpax, ponders not too few but maybe too many possible courses of action on freight-car supply.

● **Tax credit, insurance plan favored.** If you were to rank the various proposals on the basis of the industry's apparent enthusiasm for them, the strong front-runners would be reinstatement of the investment tax credit and passage of equipment-insurance legislation. Railroads tend to be wary of proposals to create a national freight car corporation. And bringing up the rear in the rankings would be a labor-backed plan to create a car corporation somewhat along the lines of Railpax.

This, for instance, is a sampling of industry thinking on what Congress might do and why:

—Reinstatement of the tax credit, says Chesapeake & Ohio/Baltimore & Ohio, "would result in an immediate increase in the placement of orders . . . and materially broaden opportunities for financing, especially through investment-credit leases by roads in poorer financial condition. Passage of a National Freight Car Corporation bill would undoubtedly result in placement of a substantial number of orders for plain box cars by the new corporation. It would undoubtedly have a greater impact on ordering such cars than the present incentive per-diem bill. However, restricting the applicability of Federal guarantees of equipment obligations to those issued by the national corporation would place all railroads at a disadvantage in the capital funds market, in the absence of provisions extending equivalent guarantees to railroad equipment obligations. In our opinion, to be most effective the corporation bill and an equipment-insurance bill must be passed simultaneously."

—Union Pacific observes that "reinstatement of the investment tax credit or the passage of an equipment-insurance bill would be a favorable deciding factor for all railroads [in] purchasing more equipment. The trend at present, without the investment tax credit, appears more favorable for railroad leasing of equipment."

—Frisco believes that tax-credit reinstatement "would go a long way toward increasing new-equipment purchases. It would be beneficial to railroads currently paying taxes, as it would not be repayable in the future. It would be beneficial also to non-tax-paying railroads [in that they] could lease equipment at lesser rates." Frisco waves a caution flag, however, on the national-corporation proposal: "This has to be studied very closely, because passage of the bill without an equipment-insurance bill could possibly do more harm than good by [affecting] the availability of money needed by the industry to make individual car purchases. If the bill is passed in such a form as to protect the railroads against any decrease in available money supply, then it would certainly be a big help in alleviating car shortages."

● **What role for government?** Understandably, there is wide-ranging concern about the degree to which government could become directly involved in rail operations. This stems, in large part, from the railroad/ICC relationship—which has hardly been a satisfying one for either carriers or regulators.

A Commission statement on car supply makes rather clear the regulatory view as to where fault lies: "Since its inception, the Commission has been criticized because of the railroads' ineffective utilization of their car fleet and their insufficient acquisition of new cars to meet shippers' demands . . . Voluntary programs of carriers which may make a contribution toward easing the car shortage are in the rudimentary stages . . . Measured as an industry, however, the carriers appear

unwilling and, perhaps, incapable of solving the problem by themselves. Proposed voluntary solutions usually split the industry down the middle."

Few in the industry would deny that inter-railroad and inter-territorial bickering has been a problem and has contributed, to a degree, to poor equipment utilization. At the same time, few in the industry would hold the ICC blameless. And, probably, even fewer would agree that greater Commission control over car-use is the key to improving utilization.

The chief operating officer of one major road is outspoken: "The ICC should keep out," he declares. "Their car orders have not been helping. They are not looking at the total picture, and they are not studying the effects of their orders on individual railroads and territories. They're creating too many one-way moves on equipment that could be used for two-way hauls. And this, of course, reflects badly on utilization."

● **What role for AAR?** Much better than ICC involvement, this operating officer believes, would be a strengthening of the AAR's car-service operation. "Twenty years ago," he says, "an AAR order was respected. But with growth in traffiic and a decrease in the number of cars available, this has changed. Now, it's time to put some teeth in the AAR rules—to provide the penalties that have been lacking."

While the debate goes on, however, there is no denying that car shortages are costing railroads business — and hampering them in going after new markets. Says one operating vice president: "What's in short supply? You name it. It's short."

A spot-check of a half-dozen major roads underscores the point: To one degree or another, the short-list includes 40- and 50-foot box cars, covered and open-top hopper cars, standard and mill-type gondolas, standard and bulkhead flat cars (not TOFC/COFC), and even ice-bunker refrigerator cars. And the list of commodities affected? Put down grain, steel, lumber, farm products, pulpwood, paper, fertilizer, cement, aggregates, potash, flour, canned goods.

Significantly, most roads are not looking for much improvement—except possibly in the supply of cars for steel loading, once stockpiling eases up and it is determined whether a steel strike will or won't take place. One major western road sums it up: "Equipment in almost all classes will remain tight, and an upturn in the economy will result in continuing shortages of boxes, flats, gondolas and covered hoppers, for steel, grain, lumber and most general commodities."

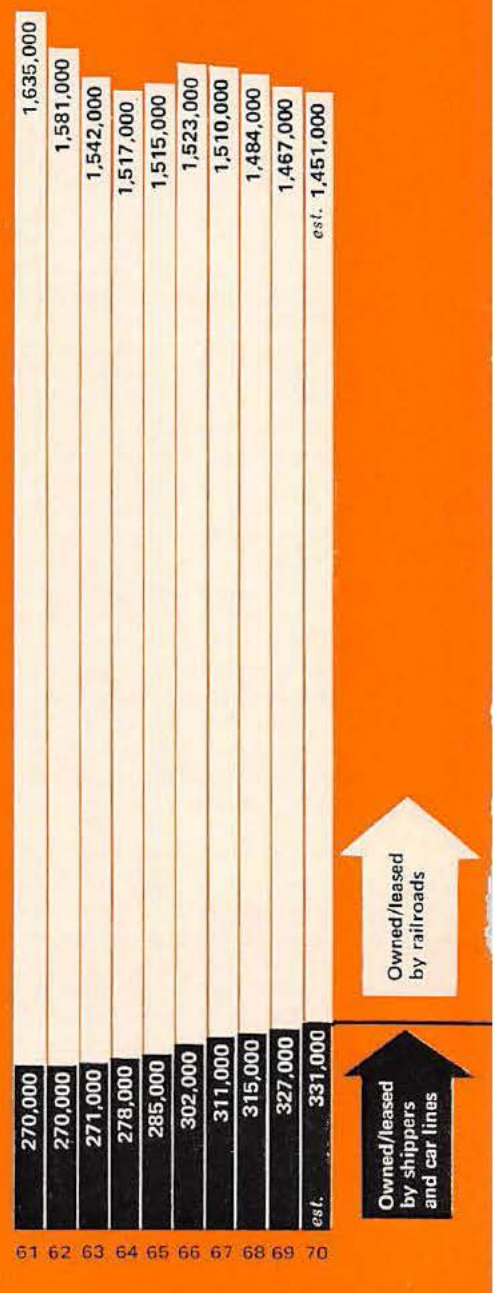
● **What railroads can do.** In the face of all this, individual roads are making efforts to improve utilization—though these efforts are not bringing them much acclaim. For instance, there is this observation from the Commission: "For a number of years, the carriers by use of press releases and other communications have sought to persuade the public, the Commission and others of the coming revolution in computerized control and tracing of cars. That long-awaited promise is yet to be fulfilled . . . The harsh fact is that, today, a typical freight car moves about one-tenth of the time. Nearly half of its potentially productive time is spent lying idle in an empty condition."

Some might call this a cheap shot—and, in fact, it does overlook a number of positive actions including, importantly, programs to reduce bad-order ratios. Industry-wide, the ratio has been creeping up, but last year's 5.2% was still below the ratios reported during much of the past decade. And from around the country, there are reports like these: Frisco, 1.7% and expected to decline; UP, 2.1% and steady; C&O/B&O, 2.6% and steady; Santa Fe, 4.3% heavy and 5.5% heavy-and-light, with extensive repair programs expected to bring a reduction; Norfolk & Western, 3.6%, and Louisville & Nashville, 4.4%, with both roads anticipating improvement; Burlington Northern 5.5%, and shooting for an under-4% figure by the end of the year.

● **Helping the computer help.** As for computerized control/tracing systems, perhaps there has been a certain amount of over-selling benefits before they appear. One problem has been that without reorganization and recasting of operations, computers alone can't do much except indicate when and where trouble exists. And it is the reorganization phase that is now getting prime attention on many roads. Among the examples:

—On Santa Fe, reorganization of car-distribution procedures "is resulting in better utilization. New freight-car inspection and classification procedures have been initiated to identify suitable equipment closer to release points in an effort to reduce empty-car-miles and empty-car-days and to improve the over-all car supply. This car classification system gives us the ability to more closely match the proper car with the customer's order."

As the shape of the freight-car fleet changes...



. . . most performance indicators show slow but steady improvement

—Frisco put a lot of effort into developing accurate reporting systems, and "after a period of concern on obtaining optimum accuracy in our data base, we're now developing additional programs in the areas of car utilization, and control. Our experience in transportation quality control, an integral part of car utilization indicates that the results can be positive."

—BN is under way with a three-year implementation of COMPASS (for Complete Operating Movement Processing and Service System) which offers "the greatest potential toward improving car supply." COMPASS will aid in car distribution by providing a realtime way of reporting changes in car-status and by supplying car distributors with summarized reports of all cars by type and location.

—C&O/B&O can cite an across-the-board attempt to improve utilization, "including changes and increases in our organization, additional use of computer-processing capabilities, increasing the amount of information furnished directly by the computer to users of the data, new terminal-control systems, expedited car-repair practices, minimization of car-cleaning delays and in short, specific attacks on every problem affecting the utility of freight cars. Positive and beneficial results are being obtained."

—In three steps in 1968-69, Union Pacific set up an equipment-flow-control organization, a motive-power bureau and a schedule-control department. Results were almost immediate, once the full program was working: "Through improved techniques and information, the program has improved freight-car utilization by an average 6.6% on all types of equipment in the first year of operation."

—N&W has expanded its equipment-planning department, for "continued investigation of shipper utilization of assigned cars. The direct handling with shippers of our analyses is resulting in the release of cars to be used to our best advantage elsewhere." N&W is also working on improvement of computer reporting.

—L&N is working toward a reorganization of its car-utilization bureau, toward development of new computer programs for positive control of non-specialized equipment, and toward development of more terminal and system pooling arrangements to cut down on cross-hauling of empty cars.

—Many roads, Penn Central and Illinois Central among them, are putting a lot more emphasis on more ef-

"We know the demand for cars is there. But unfortunately, the funds aren't"

fective management of terminal operations.

● **The shape of the market.** Meanwhile, railroads are also acquiring new cars—not in boomtime numbers but in numbers which, everything considered, give indication that the industry is doing what it can with what it has. ("Everything considered" includes availability of capital and its cost, as well as uncertainty as to how Congress might sometime act.) Order books for the first two months of 1971 show orders for about 6,200 cars, plus about 800 rebuilds. Interestingly, what business there is is going to the carbuilders, not the railroad shops. The on-order-and-undelivered backlog as of March 1 was running about four-to-one, carbuilders-vs-company-shops. But the new 1971 orders were running better than 15-to-1 in favor of the contract builders.

How do the builders feel about what's happening? In a word, frustrated—but they are not unhopeful.

They are very much aware of what the ASTRO program contemplates—an $18.6-billion expenditure for new and rebuilt freight cars and a stepup in heavy-repair programs. Specifically, ASTRO calls for installation of 1,230,000 new and rebuilt units over an 11-year period—100,000 cars per year, and then some.

Railroads won't make that goal this year. As things look now, says Henry A. Correa, president of ACF Industries and chairman of the Railway Progress Institute, new-car orders will probably be about the same as in 1970 when slightly more than 50,000 cars were ordered. Reinstatement of the investment tax credit, he believes, could add as many as 15,000 cars to the total (on an annual basis), and Congressional approval of equipment-insurance legislation might produce orders for an additional 10,000 cars (also annually).

● **Profit is the problem.** So far as the builders are concerned, business is not all that bad—at least in comparison with such years as those in the mid-1950s and early-'60s. But profit margins are thin—and the carbuilders, like the railroads, have to depend upon earnings and not upon revenues alone to sustain and improve their capabilities.

Two key aspects of the problem come through in a couple of observations by Ralph Bell, vice president-sales of U. S. Railway Equipment, and C. Bruce Ward, president of Gunderson, Inc. Says Bell: "Cars are selling today at prices that are lower than they were three years ago—and we've all had some sizable increases in labor and material costs in that period." Says Ward: "We know the demand for cars is there. But, unfortunately, the funds aren't."

Over at Pullman-Standard, President E. T. Ahnquist detects new buyer-interest—but not to a degree "that would indicate a big upturn in business is beginning." Activity is centering on covered-hopper cars and on quick-dump open-tops for unit-train service. But, the box-car business remains weak and orders for flat cars (especially for TOFC) are off sharply. What this adds up to for P-S is a backlog running well into third-quarter 1971 at one manufacturing plant and a much lower backlog at a second plant which handles box-car construction.

Thrall Car is also working on a backlog which will carry most production facilities into the third quarter. It's the specialized cars that are in demand—unit-coal-train cars, for example, and all-door box cars. Like its competitors, Thrall has felt the pinch of tight pricing. Says Vice President J. P. Lynch: "There's a definite weakness in the new-car market. We've had to do our share of scrambling to keep up with it."

● **Capacity is there.** Over-all, the builders maintain a positive outlook. Gunderson's Ward, for instance, is bullish about the next five years and not particularly concerned about the industry's ability to meet a surge in orders: "I think we'd all welcome the challenge of filling the need." Fruehauf Railcar Division and USRE share the sentiments. Fruehauf sees a bright future for its coal-carrying cars; and while USRE, too, is short on orders for new cars, its production facilities will probably be working at a high level because its purchase/repair/leaseback program is active and the leasing part of the business remains strong. USRE's lease fleet grew to 14,700 units last year with the addition of 3,000 new cars, and about the same level of carbuilding is expected in 1971.

Leasing—and user-acquisition of cars—is also helping a number of other suppliers keep things going. Thrall Car cites orders from utilities and lumber companies. Orders for 100-ton, rapid-discharge hopper cars account for much of a backlog which runs into fourth-quarter 1971 at Ortner, according to Vice President J. L. Ortner, Jr.

At General American, tank-car orders are down from what they were six months ago, though there was a "flurry of orders of substantial size" in March. And GATX President J. R. Scanlin is not unhappy with the leasing business: Almost all of General American's 53,000 tank cars are out on lease; Airslide and other covered hopper cars are booked solid through the year.

● **Growth—and a warm-up.** More optimism comes from R. B. Oppenheimer, executive vice president of North American Car. The company is committed to handling "perhaps 30% more business this year than last." And, while the tank-car business isn't exactly booming, it is showing a comeback, and there is substantial growth in North American's covered-hopper-car operation. Moreover, leases are being renewed (generally at a higher rate) and, says Oppenheimer, key tank-car users seem to be warming up, after several months in which they seemed to be holding back on leasing new equipment.

(The most publicized market development of '71 has also involved leases—as Penn Central, described as "almost desperate" for new cars, turned to the long-term lease as a way of getting them. Thus far, PC has worked out arrangements covering 2,251 cars valued at more than $37 million.)

● **And, the outlook?** In a matter of weeks, 1971 will be half over. The industry may, if it chooses, mark the first anniversary of the release of the ASTRO report. And at some point, Congress may, if it chooses, move to attack the problems which the industry has outlined—and which have become so clear during the past year.

There is, apparently, a good chance that investment tax credit will be restored—as a means of boosting an economy which sagged badly as the credit was taken off, some two years ago. There is hope that the equipment-insurance legislation can be agreed upon—and that necessary safeguards can be written into any freight-car corporation bill that finds favor in Washington. There is hope, too, that the industry will perform in a fashion designed to build confidence in its good faith—in all areas of service.

Car supply? Frisco President Richard C. Grayson recently had this observation: "The railroad industry would receive a tremendous lift if economics would permit the addition of some 100,000 new freight cars per year by railroads and private car-owners." He added: "If, this year, new-car orders were in the range, say, of 60,000 cars, there might be some encouragement for the government to close the gap." ■

Shippers press for expanded fleet

APRIL TRAFFIC POLL

Participating: 131 industrial traffic managers

1. When and if the anticipated upturn in the economy develops, do the railroads, in your opinion, have a sufficient supply of cars to handle the traffic?

2. In the past year, has your own car-supply situation:

3. Have car shortages affected your operations during the past

As Congress prepares to debate whether there is or is not a serious freight car shortage—and if there is, what the Federal government should do about it—the nation's shippers are taking a grimmer view of the situation.

The car shortage, they say, is real. It is serious and it is worsening almost daily. Manufacturing schedules are being disrupted. In some cases plants have been shut down, or operations curtailed. Much rail traffic is being diverted to highway common or private carriage—at extra expense (and with troubling implications for inflation-watchers).

That is the picture sketched by 131 leading shippers in a Railway Age poll. Almost to a man, they feel that things will get worse before they get better. Only eight of the responding shippers feel car supply is adequate to handle the economic upturn predicted by the Nixon Administration.

Only 10 of the 131 noticed any improvement in car supply in the last year. Seventy report deterioration. Of the 131 shippers polled, 108 say their own manufacturing and shipping schedules have already been adversely affected.

● **Do we really need more cars?** While shippers feel that the present car fleet could be better utilized than it is, there is also a growing feeling that utilization alone isn't enough—that what is needed are hundreds of thousands of new cars.

Arthur C. Roy, general manager-traffic, Pennsylvania Glass Sand Co., Pittsburgh, puts it flatly. "The present car fleet is just not big enough, even if utilized properly."

P. H. Vaughan, director of traffic for the Jos. Schlitz Brewing Co., Milwaukee, feels that while "better utilization is a must—done voluntarily, not through service orders," there remains no substitute for "repairing, upgrading and building replacement cars."

Louis J. Sandor, director of traffic for Anchor Hocking Corp., Lancaster, Ohio, wants to see more done toward improved turnaround time, upgrading and maintenance of present cars, plus reduction of detention time—but he sees above all the need for "a continuous purchasing program of basic cars such as 40- and 50-ft plain boxes."

"The only solution to the rail car shortage problem is more cars," says F. E. Lawless, central traffic manager of the Masonite Corp., Chicago.

At the same time that shippers are demanding more cars, they show a growing appreciation of the difficulty railroads have in expanding their fleets.

The best answer, suggests Ralph L. Andreas, director of purchasing and traffic for American Oil Co., Chicago, is a combination of two plans presently before Congress: (1) Creation of a National Freight Car Corp., financed partly by a per-diem surcharge, that would be able to send its cars to shortage areas; and (2) government insurance of rail-equipment obligations.

Edward L. Hanson, traffic representative of Chevron Asphalt Co., Baltimore, favors the second of these over the first. "It is obvious the rail carriers cannot supply the needs of the nation in cars. The financial position of most carriers prevents the construction of sufficient cars to satisfy the needs of the shipping industry," says Hanson. He prefers the equipment-insurance approach because it would "keep government out to the greatest possible extent" and would let railroads and their customers decide what kind of cars they need, and where they need them.

Not all shippers are convinced that government intervention is desirable. One dissenter is G. F. Stunkard, traffic manager, Union Tank Car Co., Manufacturing Division, Chicago: "Any project involving government financing will eventually end up being almost totally government controlled. With many of the railroads presently screaming that they are suffering from too much regulation, why go into a program which gives the government additional opportunities to regulate an already suffering industry into a position leading to total government take-over and ultimate decline in service?"

But most shippers, while traditionally opposed to government interference in either carrier or shipper affairs, appear willing to take the risk as car supply worsens. Ninety of the 131 shippers polled by Railway Age see some form of government aid as being a quicker route to improved car supply than efforts to improve car utilization alone.

● **Getting more from what we have.** Nearly all of the polled shippers, however, have suggestions for improving utilization. A. E. Leitherer, vice president-traffic, Allied Mills, Chicago, offers this five-point program (after listing the quasi-government Freight Car

Corp. and government equipment insurance as his first choices for relieving the problem):

"1. Shorter trains for less yard terminal delay.

"2. Faster turnaround of private leased cars, not leaving them to sit in yards in favor of railroad-owned equipment or other loads.

"3. Elimination of independent carrier ownership in favor of a centrally owned car pool, possibly administered by the AAR, which could be included with the planned AAR car location system. This would eliminate car hoarding by certain carriers for seasonal commodity movements.

"4. More orderly relocation of government-held grains to eliminate seasonal peaks.

"5. More realistic car service rules, i.e., reasonable exception permits rather than absolute rigidity permitting no exceptions. For example: Permit a car loaded in error to move rather than returning it to the plant for unloading."

William F. Brown, director of traffic for General Foods Corp., calls for "(1) expedited handling at yards and terminals, (2) expedited movement of empty cars, (3) incentives for rapid loading and unloading by shippers and receivers and (4) incentives for heavier loadings."

W. D. Gordon, manager of transportation and purchasing for Shenango Inc., Pittsburgh, proposes guidelines to be followed by both shippers and carriers. Shippers, he says, should: "(1) load promptly and unload promptly and completely; (2) where feasible, ship and receive daily; (3) avoid circuitous routing; (4) without jeopardizing people or products, load equipment that is available, though perhaps not ideal; and (5) practice the golden rule with respect to in-plant treatment of cars."

For their part, Gordon says carriers should "(1) in lean times, curtail shop operations as a last rather than as a first resort; (2) reduce terminal time; (3) step up transit dependability; (4) improve interchange procedures; and (5) somehow devise more general purpose usage of special purpose cars."

Prompt return of empties gets numerous mentions in the April Traffic Poll. Robert P. Wyant, purchasing agent-traffic manager, Central Chemical Co., Hagerstown, Md., calls for "a program which would insure prompt return of empty cars by imposing a heavy penalty for not doing so . . . with perhaps a bonus or reduction in freight charges for those who unload and return cars on line in a minimum amount of time."

● **Meanwhile, traffic flees the rails.** However justified railroads may be, in terms of financial stringency, in maintaining a less-than-adequate car supply, it appears to be costing them dearly in terms of lost traffic. Thirty-four of the shippers participating in the April Traffic Poll volunteer the information (though they were not asked this specifically) that they have turned rail tonnage over to trucks. Some sample comments:

O. E. Andersen, general traffic manager, Penick Ford Ltd., Cedar Rapids, Iowa: "Our customers are demanding truck deliveries because rail cars are not available."

Henry Belanger, traffic manager, Admiral Corp., Chicago: "We are being forced to move shipments via truck at higher cost per unit."

Phillip T. Catalano, traffic and distribution manager, Steelcase, Inc., Grand Rapids, Mich.: Car shortages have "caused diversion of tonnage to competing modes and private carriage."

L. L. Clabaugh, traffic manager Davison Chemical Division, W. R. Grace & Co., Baltimore: "Backlog of as much as six orders necessitated the purchase of premium transportation by motor."

P. J. Sullivan, director of distribution, Gerber Products, Fremont, Mich.: "We have been forced to divert to truck and/or TOFC at additional expense."

A. M. Rogers, regional distribution manager, Union Carbide Corp., San Francisco: "We have diverted up to a million pounds per month to trucks due to the rail car shortage."

C. A. Moultis, traffic manager, U. S. Pipe Foundry Co., Birmingham, Ala.: "We are a large user of open-top hoppers and gondolas and are continually harassed with shortages. We have diverted traffic to other modes—some permanently."

J. J. Sievers, assistant vice president, River Cement Co., St. Louis: "Being unable to secure rail equipment, we are forced to use trucks at higher cost, particularly in the Cincinnati area."

W. E. Maley, manager distribution, U. S. Borax and Chemical Corp., Los Angeles: "We have had to truck bulk commodities on a short-term basis."

F. A. Park, manager traffic department, Deere & Co., Moline, Ill.: "The inadequate supply of railroad cars has disrupted our loading schedules and in many cases has required us to rework carload orders, adapting them to motor carrier."

● **Paradox.** One shipper with a problem is J. L. Bergen, traffic manager of Uncle Ben's Inc., Houston. On the day he replied to Railway Age's poll Bergen reported: "At one location in Houston, I am looking for seven box cars for road hauls, five to Canadian points, two to other shorter destinations; at another location I am looking for five box cars, one for Pittsburgh, one for Duluth, three for metropolitan New York, and at still another location I need a box car for Tampa, Fla.

This represents $12,000 for the railroads. Yet I am unable to load these shipments because there are no box cars.

"The railroads have requested several rate increases, including the latest, Ex Parte 267. The claim is that the railroads are in bad financial shape. How can we reconcile this with my present predicament?

"How can railroads improve their financial position if they are unable to take advantage of the revenue which shippers are begging to give them, because they (the carriers) cannot furnish equipment?"

That is, of course, precisely the question the railroads have long been asking themselves—and which they are now putting to Congress, in the form of the ASTRO proposals. These proposals seek government aid to the extent that railroads will be able to take advantage of missed opportunities—and ultimately more than pay back the government's investment. ■

"We have frequently been unable to meet shipping schedules."
—R. H. Heilman, A. O. Smith Corp.

"We have been forced to divert to truck at extra expense."
—P. J. Sullivan, Gerber Products.

"Government-aided programs will help solve the problem."
—R. L. Andreas, American Oil.

Needed: Professional freight salesmen

Freight solicitation today requires a brand new breed of salesman. Do railroads recognize him when they see him?

By WARREN R. WALWORTH*

To achieve the major objective of increasing profitable freight traffic, everyone in the railroad organization must recognize his personal sales responsibility and also recognize the two major roles of the railroad's professional salesmen. Together they must realize the importance of two things:

—*Servicing and cultivating existing customers*—preserving and expanding the volume of business these customers do with their railroad by maintaining and building on the favorable relationships which already exist. This "maintenance" selling is basically a holding type of operation whose success depends upon considering customer needs first and in finding profitable ways for filling these needs in a most efficient and satisfying manner.

—*Obtaining new customers*—finding and convincing companies that are not presently using their railroad's services to adopt them. This "new business development" selling is the creation of customers out of people who look unfavorably on this railroad and who most likely are resistant to change. It is a conversion sales operation, whose success depends upon a creative strategy coupled with an ability to design and implement custom-tailored and mutually profitable services.

This philosophy is revolutionizing the function and responsibility of the railroad salesman.

Today's successful railroad sales representative is a front-line observer. In this role, he seeks out traffic opportunities and competitive situations. Because he is at the "scene of action" he must be able to initiate ways in which his railroad can profitably assist the shipper in solving his traffic problems. He has to be an effective "two-way" communicator—conveying his shipper's traffic needs and problems to his railroad—accurately making known his railroad's capabilities to his shippers.

On a day-to-day basis, the railroad's sales representative is both a "complaint department" and an intermediary between the shipper and the railroad's operating, claim, and other departments. He also carries out the same role with connecting carriers and with his counterparts at origins, destinations, and traffic control points.

He is a true professional because of his knowledge of his railroad's services, capabilities and performance—his customers and their traffic potential, their operations, the people in their organization, their problems and their needs. He also knows his competition and his customer's competition. He uses his initiative, imagination and knowledge to find more profitable ways for serving each customer.

In a real sense he is the customer's ombudsman. At the same time he is the coordinator of his railroad's combined effort in solving customer service problems profitably.

Do the railroads recognize that they already have such men in their sales organization—that there are others who have the potential?

Edwin F. Mundy, vice president-traffic of National Biscuit recognizes some. Ed Mundy likes to tell of one railroad sales representative who calls on his company who has been to all of their plants, who has a broad understanding of their operations, who knows their people and knows how to help these people look good in their jobs. Ed's people know, respect and depend upon this man's advice. They know that he is always available when they need help. They appreciate the fact that he keeps in touch and keeps them informed of changes. They respect him because he knows how and is effective in coordinating the various segments of his railroad's organization in helping National Biscuit solve its traffic problems. Does the railroad for which this man works have the same awareness?

They do know because Ed Mundy called it to their attention. How many instances are there where such professionalism on the part of a railroad sales representative goes unrecognized by either his railroad or the industrial traffic leaders?

The man at the "scene of action," the railroad's sales representative, needs to be in possession of all the information available concerning his railroad, its present (current) services and performance, and its planned changes and improvements. He needs more information about the major industries he calls on and about his competition and how it compares with his railroad.

Today's railroad sales representative

*Mr. Walworth is a vice president of Robert Heller Associates, Inc., management consultants.

"Today's successful railroad sales representative is, in a real sense, the customer's ombudsman"

needs effective and up-to-date sales tools and information so that he can deal successfully "on-the-spot" with problems or questions as they arise: schedule and service performance information, for his railroad and for its connections; equipment — types, availability, and assignments. Brief explanations of how best used, loading and unloading advantages; special services—TOFC, industrial development, marketing specialties, etc.

To be a successful railroad in the '70s—a railroad of superior performance—it takes people. People who are outstanding in competence and motivation. People who will respond to the accelerating pace of change. The professional transportation salesman is this kind of person. Recognize him!

STANDARDS OF PERFORMANCE

A standard of performance sets forth the results expected from a transportation service—the job to be done to increase profitable traffic volume, or to keep the present business of an existing customer. A good standard will represent an understanding between the railroad and a shipper—it will have been developed jointly, shipper and railroad working together. Good standards become the guides which enable a railroad and a shipper to determine: If services the railroad is providing are the right kind for this shipper; how well the railroad is doing its job; what will be required to do a better job.

Answers to these questions become apparent in the process of developing standards. The standards help both railroad and shipper to appraise performance on an agreed-upon basis. They offer a systematic way to evaluate "results achieved" against "results expected." They provide an effective means for identifying areas of service strength and weakness. They help in the zeroing in on areas needing improvements and suggest ways to effect improvement.

There are five steps involved in the process of developing service standards:

Step. 1. Determine the "key result" areas of the total service package. A buyer of transportation service usually makes his decision based upon how well the service meets five important criteria:

—The service must be *suitable* in his type of operations and marketing;

—Its use must be *profitable* to his company, contributing to improved ROI;

—It must be *dependable* and *timely* to his company's production and marketing efforts;

—It must be *safe* and as near damage-free as possible;

—It must be *efficiently serviced* through open channels of communication.

These are the usual five "key result" areas of the total service package.

Step 2: Identify the "Measurement Factors" for each "Key Result" area. There are usually several important measurement factors for each key result area. The accompanying box illustrates how to zero in on the various measurement factors in the five key result areas (see facing page).

Step 3: Establish a "Performance Standard" for each "Measurement Factor." The specific results to be achieved within each measurement factor have to be spelled out and agreed to, i.e.: No deviations from published schedules unless reported promptly; Seven days dock-to-dock transit time with no more than 12-hours deviation at least 95% of the time.

Step 4: Determine the basis for measurement for each performance standard. What are the reports or records which will be used and watched to determine how well the railroad is performing in each key result area? What data will be used for quantative measurement? What are the things that will be reviewed and discussed where factual data is not maintained?

Step 5: Assure complete understanding and acceptance. Standard-setting and the appraisal of performance based upon these standards is a way to help the people of an organization think constructively about their job. In this way they can really see where and how their efforts must be directed to make the greatest contribution to the profit and successful growth of the railroad. This approach is an effective way of bringing a railroad and its customers together and giving directions toward more effective ways in which they can work together to develop mutual profits and growth.

A CLIMATE FOR GROWTH

Changes of all kinds — social, economic, technological, political—are affecting the future of today's transportation system.

The growth of each transportation system in the next decade is now being determined by the ingenuity of their people in dealing with and managing change.

Progress has been and continues to be impeded by complacence, lack of interest, and failure to assume responsibility. It is bogged down by preoccupation with established status-quos and routines, by lack of incentive and of training.

Growth requires new standards of personal performance that will be so much more demanding that the just average or mediocre performer will have to be left behind.

Because of this, it is critically important that industry leaders establish and continually work to maintain a climate of excellence—an eagerness for high standards of performance—a desire to cast off the appendages of the past—a management that will encourage and recognize the highest forms of excellence in every job in every type of work.

This is bringing about changes in traditional concepts of organization and of its structure, changes in concepts of managing people, changes in the methods and types of supervision, changes in management systems and controls.

Conclusion: Sales? Marketing? What difference do they make?

Changes of all kinds—economic, technological, social, political—are affecting today's transportation systems. Assuring the survival, building the profits, and nurturing the future growth of a railroad which must operate in a most difficult environment, may well depend upon the ingenuity, superior performance and dedication of its people—the people who will have to anticipate these changes and then manage change. Effective sales effort might make a difference today—aggressive marketing might make a different future. The professional transportation salesman, upon whom the professional transportation buyers can depend, may be one of the keys for opening the door. ■

(This is the second and final part of Mr. Walworth's article, "Do railroad salesmen really sell?" Part 1 appeared in the March 29 issue.)

MEASUREMENT FACTORS IN FIVE KEY RESULT AREAS

SUITABLE TRANSPORTATION

What kind of commodities or lading does this customer ship?
What kind of commodities or lading does he receive?
Are his in- and outbound shipments regular or irregular?
When are his peak times? His slow times? To whom does he ship—Consumers? Forwarders? Jobbers? Manufacturers? Retailers? Contractors? Other plants owned by himself?
To what area does he ship in volume?
What is his competition?
How does his plan of distribution affect his available markets?
His sources of supply? His production and processing problems?
Do his ordinary movements of goods involve diversions? Reconsignments? En-route inspections? Transit privileges?
Are there any unusual or particularly important factors which enter into his transportation needs? What are they?

PROFITABLE TRANSPORTATION

How vital a factor is cost of transportation in his sales?
How do transportation costs affect his markets? His source of supply?
In what areas are rate problems particularly vital in his business?
Are drayage charges an important factor in his transportation costs?
How vital are storage or demurrage charges in his business?
What other factors vitally affect his total cost of transportation—Speed of delivery? Switching and handling? Delays? Loading? Packing or crating? Feeding? Cooling? Heating? Damages? Shrinkage?
What proportion of his final cost of production or his eventual sales cost is represented by transportation?
What effect have warehousing and storage on his overall distribution costs?

DEPENDABLE AND TIMELY TRANSPORTATION

How important is the time element in his transportation problems?—Is his desire for rapid handling or for delivery by a particular time?
What is his main requirement for timeliness—to please his dealers or jobbers? To maintain a factory schedule? To reduce the stock-carrying problem? To reduce damage? To make a particular market?
To conform with the consignee's specific orders?
What is the effect on his business of a saving in time? Of a loss in time?
What elements make up his time schedule—Packaging? Stowing? Spotting and pick-up? Rail schedules? Handling at delivery point? Time consumed within his organization between receipt of order and make-up of car?
Where can time-saving best be effected?
What advantages might compensate for delay?

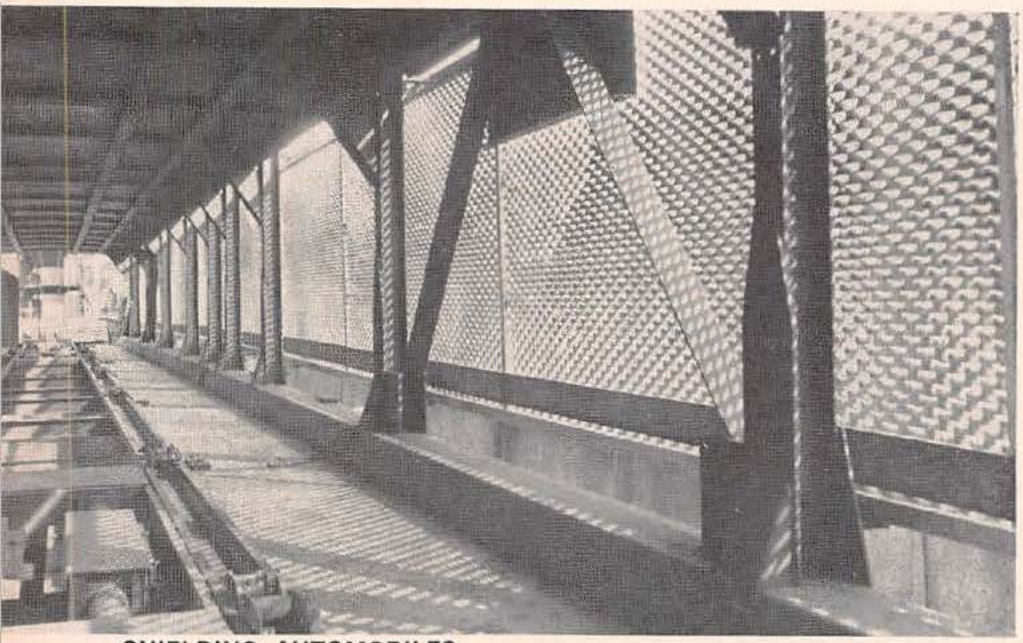
SAFE TRANSPORTATION

What has been his experience with loss and damage? With handling of claims?
Is loss or damage an important factor in his business?
What loss or damage is particularly feared? Breakage? Pilferage? Spoilage?
What is he doing to minimize this waste?
What can the railroads do to help him?
How important is packaging? Stowing? Car handling? Temperature control? Inspection? Patroling of yards? Stevedoring?
What would it mean to his business to reduce or eliminate in-transit loss and damage?

EFFICIENTLY SERVICED TRANSPORTATION

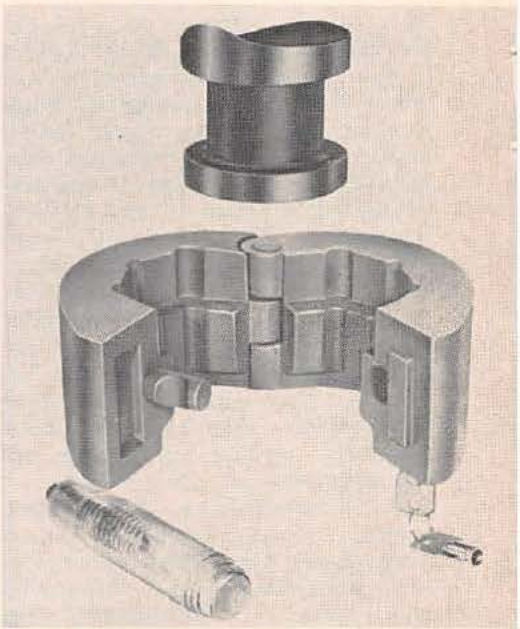
How is his Traffic Department organized? Who influences his decisions?
What phase of the work gives most trouble? What problems come up regularly? What special problems arise infrequently?
What types of information are most frequently required? What difficulties does he have in obtaining information? How valuable would he find quick and accurate sources of information?
How can his contacts with other departments of the road be facilitated? How does he handle such problems as claims, rates, diversions, reciprocal purchases, import regulations?
Is he equipped to handle problems of car supply, tracing, diversions, filing of claims, local operating questions, etc.?

L&D-prevention devices



SHIELDING AUTOMOBILES

United States Gypsum's armorweave side protection panel system for auto rack cars is designed to protect new automobiles from in-transit damage and pilferage. Extra resilience and protection against heavy impact of rocks, stones and other flying debris is assured. Corrugated-like configurations on the 18-gauge steel surface of Armorweave resist impact and abuse, add strength and durability. The automobiles are effectively concealed from any angle below the horizontal.

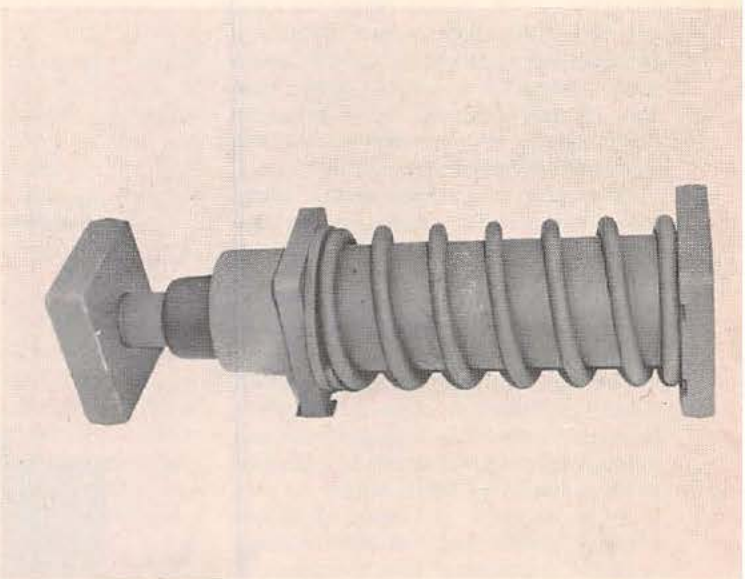


TRAILER LOCK

The Hansen King Pin Gard-Lok is precision made for use on semi-trailer king pins to reduce thefts of cargo and trailers. Constructed in a manner that eliminates need for extra clamps or padlocks, it is easily installed in seconds.

LADING CONTROL

Equipco's PDQ system for handling varied loads can, when used as a platform or pallet, be pre-loaded with cartons or containers. It is then positioned into the car with a lift truck. It fits into self-locking belt rails which hold it securely in place. Used as a deck, the unit can be placed in different height positions throughout the length of the car. Used as a divider, PDQ can be locked vertically in position to restrain the forward-backward movement of the lading under impact.



END CUSHIONING

Pullman-Standard's Hydro-gear end-of-car cushion units provide optimum cushioning in minimum space. The unit, complete with integral spring, fits into a standard center sill and takes any standard coupler. Hydro-gear is hermetically sealed, using the hydraulic fluid/rubber boot reservoir combination that has been proved successful in years of service in P-S center-of-car cushioning. The units are available in travel lengths of 10, 12 or 15 in.

MEASUREMENT FACTORS IN FIVE KEY RESULT AREAS

SUITABLE TRANSPORTATION

What kind of commodities or lading does this customer ship?
What kind of commodities or lading does he receive?
Are his in- and outbound shipments regular or irregular?
When are his peak times? His slow times? To whom does he ship—Consumers? Forwarders? Jobbers? Manufacturers? Retailers? Contractors? Other plants owned by himself?
To what area does he ship in volume?
What is his competition?
How does his plan of distribution affect his available markets?
His sources of supply? His production and processing problems?
Do his ordinary movements of goods involve diversions? Reconsignments? En-route inspections? Transit privileges?
Are there any unusual or particularly important factors which enter into his transportation needs? What are they?

PROFITABLE TRANSPORTATION

How vital a factor is cost of transportation in his sales?
How do transportation costs affect his markets? His source of supply?
In what areas are rate problems particularly vital in his business?
Are drayage charges an important factor in his transportation costs?
How vital are storage or demurrage charges in his business?
What other factors vitally affect his total cost of transportation—Speed of delivery? Switching and handling? Delays? Loading? Packing or crating? Feeding? Cooling? Heating? Damages? Shrinkage?
What proportion of his final cost of production or his eventual sales cost is represented by transportation?
What effect have warehousing and storage on his overall distribution costs?

DEPENDABLE AND TIMELY TRANSPORTATION

How important is the time element in his transportation problems?—Is his desire for rapid handling or for delivery by a particular time?
What is his main requirement for timeliness—to please his dealers or jobbers? To maintain a factory schedule? To reduce the stock-carrying problem? To reduce damage? To make a particular market?
To conform with the consignee's specific orders?
What is the effect on his business of a saving in time? Of a loss in time?
What elements make up his time schedule—Packaging? Stowing? Spotting and pick-up? Rail schedules? Handling at delivery point? Time consumed within his organization between receipt of order and make-up of car?
Where can time-saving best be effected?
What advantages might compensate for delay?

SAFE TRANSPORTATION

What has been his experience with loss and damage? With handling of claims?
Is loss or damage an important factor in his business?
What loss or damage is particularly feared? Breakage? Pilferage? Spoilage?
What is he doing to minimize this waste?
What can the railroads do to help him?
How important is packaging? Stowing? Car handling? Temperature control? Inspection? Patroling of yards? Stevedoring?
What would it mean to his business to reduce or eliminate in-transit loss and damage?

EFFICIENTLY SERVICED TRANSPORTATION

How is his Traffic Department organized? Who influences his decisions?
What phase of the work gives most trouble? What problems come up regularly? What special problems arise infrequently?
What types of information are most frequently required? What difficulties does he have in obtaining information? How valuable would he find quick and accurate sources of information?
How can his contacts with other departments of the road be facilitated? How does he handle such problems as claims, rates, diversions, reciprocal purchases, import regulations?
Is he equipped to handle problems of car supply, tracing, diversions, filing of claims, local operating questions, etc.?

L&D prevention: Are we losing the

If, by some miracle, there were no such things as "freight loss and damage," railroads could. . . .

Depending upon your viewpoint, and what set of figures you choose to embrace, there are many ways to complete that sentence, all of them positive.

As matters stand, however, the L&D situation is getting worse, not better. And there is no "miracle" in sight. This is what the figures show:

— The industry's total ordinary income for last year is now estimated at $127 million (in the wake of Penn Central's full-year report). Final figures are not yet in on L&D payout. But it looks as though the total will flirt with the $230-million figure. That would be an increase of about $20 million from 1969's payout.

— Gross freight revenues are climbing. But so is the ratio of payout to gross. Ten years ago, payout represented 1.44% of total freight revenues. Now, it's about 2% of a substantially higher gross.

— For most of the '60's, the record shows that the number of new claims filed actually declined on a year-to-year basis. But through the first 11 months of 1970, new claims showed an increase of almost 8%.

— Actual dollar payout declined in only one year of the '60's. Then, in 1969, the industry experienced its sharpest year-to-year upturn, 15.4%. It's small comfort, that the 1970-over-1969 increase may only be in the 10%-to-11% range.

● **But it's not all bad news.** To be sure, there are a few bright spots. A few railroads did reduce their ratio of payout-to-gross last year—among them, Chesapeake & Ohio, Chicago & North Western, CP Rail, Katy, Norfolk & Western, Frisco, Soo Line and Southern Pacific, with Southern holding even with its '69 ratio.

Other factors have to be taken into account, too, in any attempt to assess the impact of L&D—factors which go beyond the mere dollar figures. One is the effect of inflation on claims and claim payout. Another is the expenditure—running into the tens of millions of dollars—which railroads have been making to build a measure of lading protection into new rolling stock and into new classification facilities. Still a third is the conscientious effort which loss-and-damage-prevention people continue to make, on both the railroad and the shipper side of the problem.

Unfortunately, however, none of these other factors can turn a sad song into a happy one. Year-to-year payout increases of 15% and 10% can't be totally explained away by inflation. Expenditures for hardware look most productive mainly in the context of what the payout figures might have been, had the expenditures not been made. And the "conscientious-effort" factor, some believe, is diluted because too many of the people making it are long on good intentions but short on clout.

● **Start at the top?** As some see it, the real hope for real progress in combatting L&D has to lie in top-management involvement—the kind of involvement that brings a total awareness throughout the organization.

This approach carries its own set of problems. Top management already has more than enough to do: ASTRO, the eternal management/labor problem of raising capital, the problem of controlling expenses, and on and on. But, there are those figures, and they tend to be damning. At the risk of making less-than-valid comparisons, consider anyhow that in 1966 industry net income was $900 million and L&D payout was $167 million—while in 1970 income was $127 million and payout $230 million.

A lot of questions might be raised, some perhaps more pertinent than others:

— By no means does the whole solution to L&D lie in what might be called a "kick-a-switchman" campaign. But careless car-handling is still responsible for a big share of the payout. Are motivational and educational programs for operating employees really adequate? Is supervision adequate?

— Getting back to those tens of millions spent for equipment and yard improvements: Have all those expenditures tended to promote a belief that technology-conquers-all? It's perfectly understandable that railroads should take public pride in the damage-preventing qualities of the cars they buy and the yards they build. But, do operating employees let down their guard and care less about how they handle a car plainly labeled as cushioned or as having lading-protection devices inside? Do employees on the shipper's loading dock think they can get away with a sloppy loading job on a car with all that damage-preventing hardware? Do shippers themselves believe that transportation technology will overcome deficiencies in packaging?

— How about train-handling? What are the real L&D-related effects of operating the long, long train. And the effects of mixing all sorts of equipment in that train?

— What, if any, are the trade-offs in L&D? To what extent, if any, is L&D payout a liability that is assumed in lieu of equipment and/or plant and/or other expenditures which might be greater or less readily financed?

● **Can a parallel be drawn?** In some ways—especially when top-management involvement is considered—loss-and-damage prevention might be likened to safety promotion. There are, of course, differences: For one thing, the individual on-the-ground employee has a greater personal interest in the avoidance of death, pain and suffering than he does in the avoidance of breaking up a customer's merchandise. But, a couple of observations might still be made:

— Government has now involved itself, as never before, in railroad safety. It is not now likely that government will soon become involved, so deeply, in how a carrier handles the goods entrusted to its care. But there is at least a hint of this, in Congressional investigation of cargo security (RA, March 29, p. 34D).

— With the proper motivation, a railroad can dramatically improve its personal-injury safety record. One prime example: Santa Fe. On the generally-accepted basis of reportable personal injuries per million man-hours worked, Santa Fe went from a ratio of 13.60 in January 1969 to 6.78 in January 1970 to 4.13 in January 1971. It all started at the top, with a new emphasis on safety as a top-priority.

Some question might also be raised concerning the ways in which L&D continues to be reported.

Reporting methods and the reports themselves presumably have some effect on prevention efforts. And legitimate questions might be raised in a couple of areas:

— In the attribution of L&D payout to cause-of-L&D, a certain credibility gap is created when (1) the AAR's industry-wide report for calendar 1969 shows a payout of $3.3 million attributable to theft, while (2) Penn Central alone notes freight-theft losses of $3.5 million for just 10 months of 1970.

battle?

— In that attribution-to-cause, there are 11 categories. In 1969, the last full year for which the break-down is now available, one category—"Improper handling, all damage not otherwise provided for"—accounted for almost 59% of the total. Another category—"Error of employee"—accounted for 0.8%. Nine of the 11 categories each accounted for less than 10% of the payout, and eight of those 11 each accounted for less than 5%. A payout of $17 is duly listed under "Delay" as a cause of damage to "rubber and miscellaneous plastics." A payout of more than $17.8 million on motor-vehicle L&D is lumped under "Improper handling, all damage not otherwise provided for."

● **No "small" losses.** Unfortunately, nothing in the payout-cause list is really small. Even "Error of employee"—charged with just 0.8%—added up to more than $1.6 million. The total for L&D to motor vehicles was almost $22 million.

As indicated, the experts are figuring on a payout of around $230 million total for 1970—with sharp increases forecast again for motor vehicles, among other commodities.

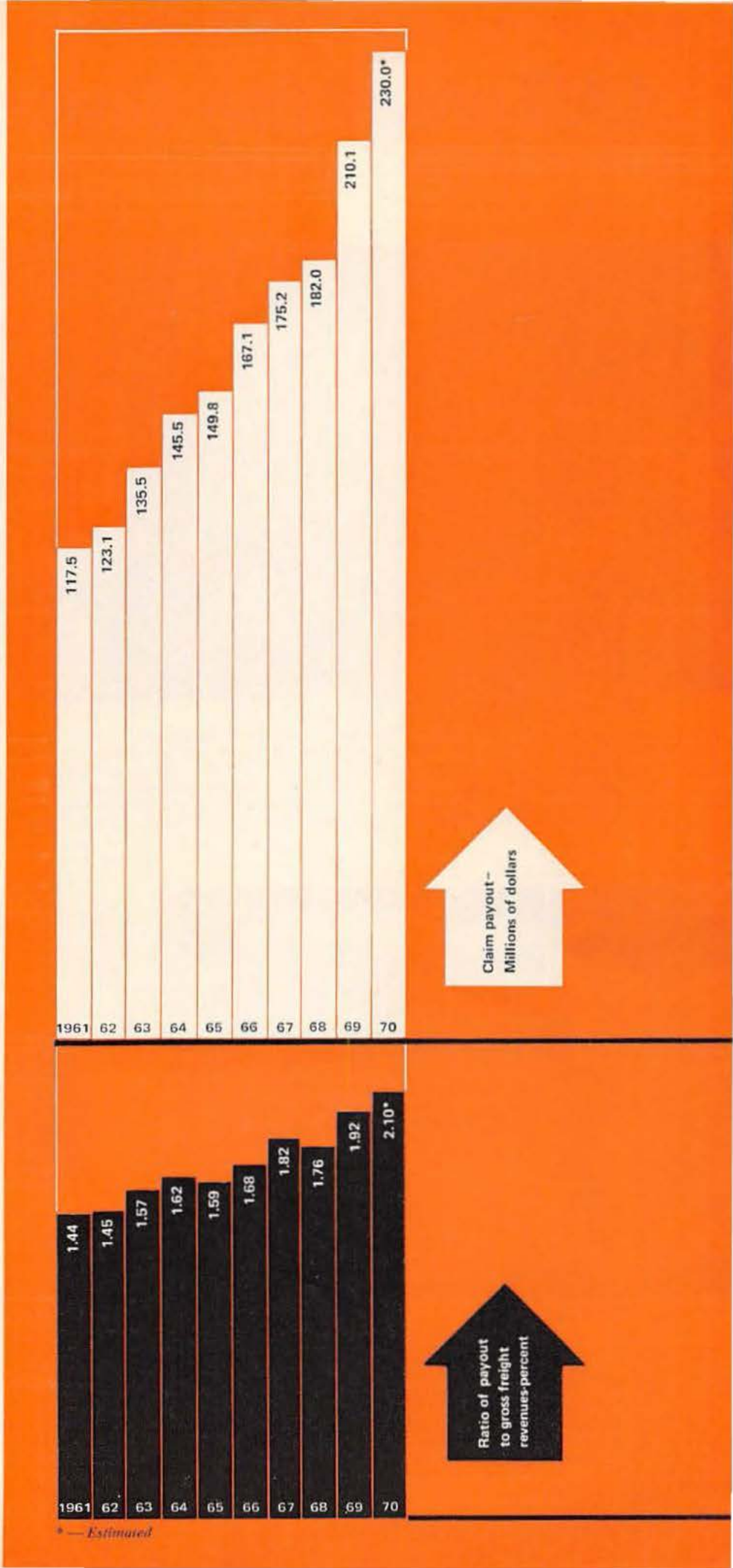
Can the dollar-drain be reduced, in key areas and in total? Probably it can. In a real sense, dollars saved on L&D can be dollars carried down to net, so there is some incentive to give more than lip-service to L&D prevention. But it may take a top-management push to get the job done—and this may cost a few dollars.

One observer (perhaps noting, sadly, that more people seemed to be employed in handling claims than in preventing them) puts it this way: "A large part of the problem may be in selling top-level railroad management. But when safety gets to be a gut issue, something can be done about it. There's no reason to suppose that, given the same interest by management and others, we couldn't expect the same kind of results in L&D work."

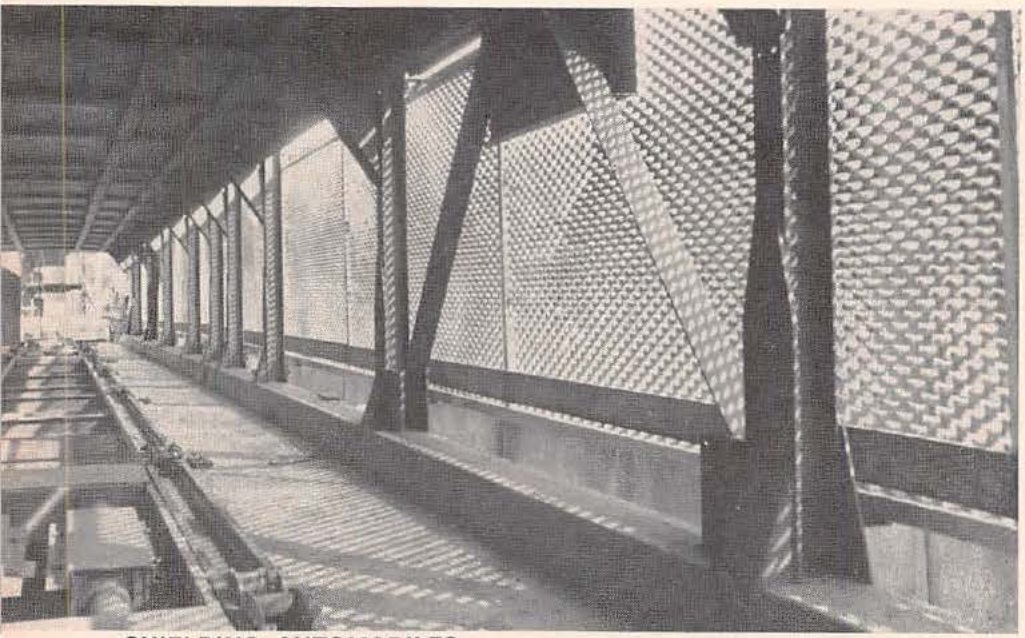
Some shippers and some railroads get high marks for what they're doing in L&D prevention. But the question remains: Is "some" enough?

Equipment manufacturers

L&D-prevention devices are not in themselves an answer to the problem—but they are an essential part of it. Some of the devices are described on the following pages.

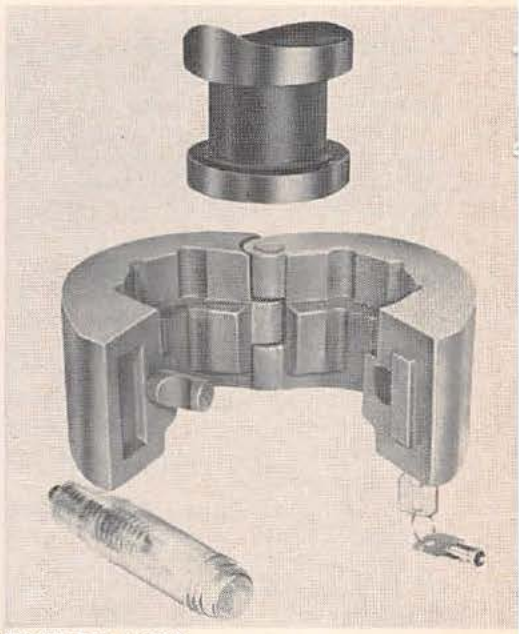


L&D-prevention devices



SHIELDING AUTOMOBILES

United States Gypsum's armorweave side protection panel system for auto rack cars is designed to protect new automobiles from in-transit damage and pilferage. Extra resilience and protection against heavy impact of rocks, stones and other flying debris is assured. Corrugated-like configurations on the 18-gauge steel surface of Armorweave resist impact and abuse, add strength and durability. The automobiles are effectively concealed from any angle below the horizontal.



TRAILER LOCK

The Hansen King Pin Gard-Lok is precision made for use on semi-trailer king pins to reduce thefts of cargo and trailers. Constructed in a manner that eliminates need for extra clamps or padlocks, it is easily installed in seconds.

LADING CONTROL

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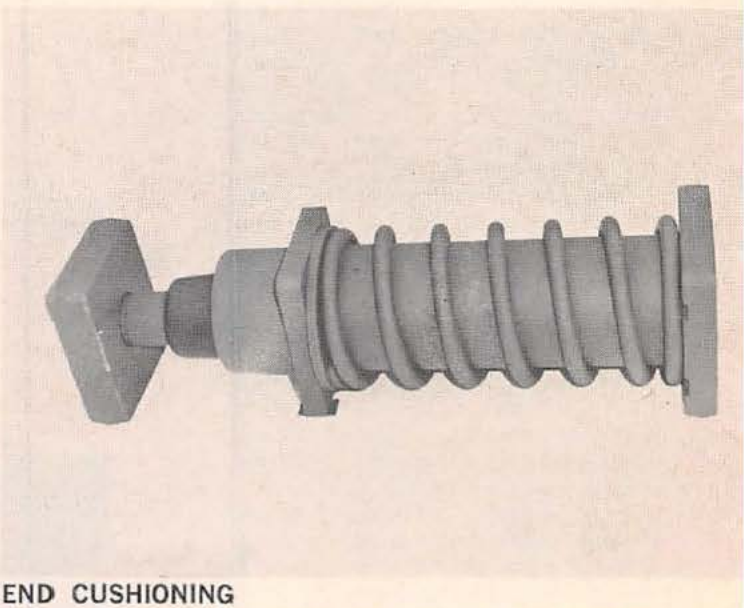

END CUSHIONING

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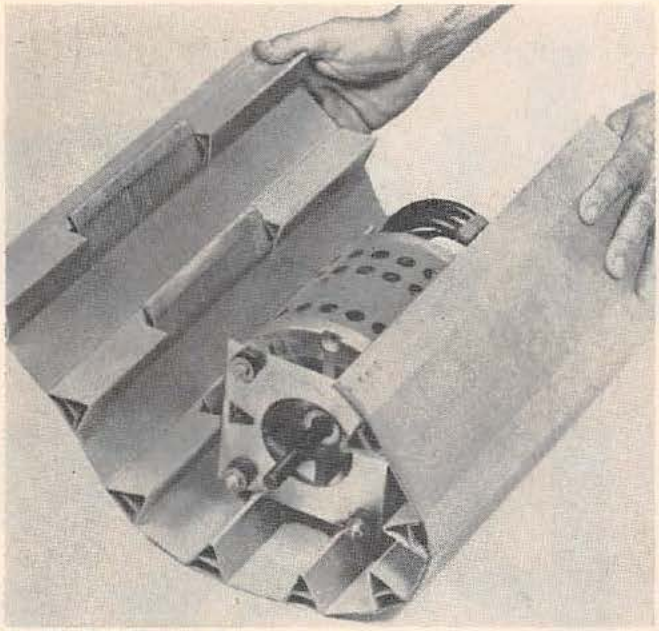
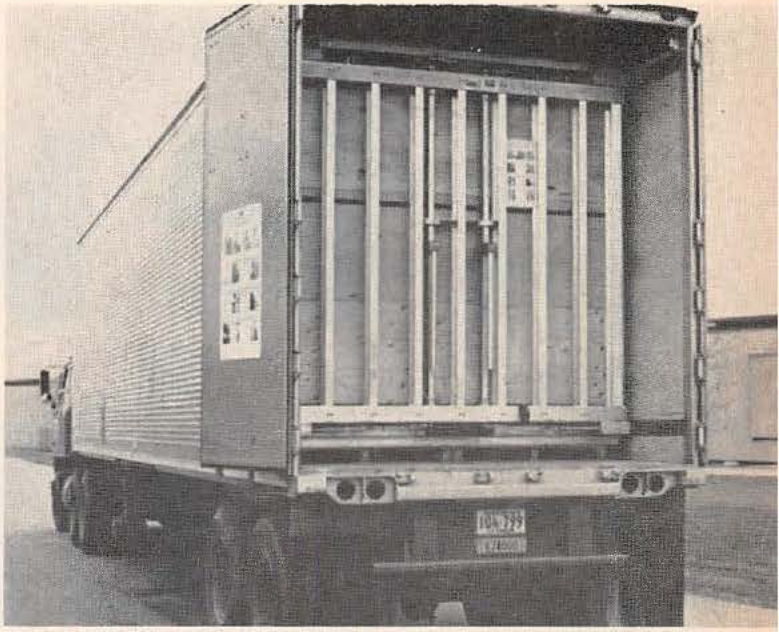


SAFE PACKAGING

Vanant Packaging's Sus-Rap can suspend virtually any type of product in a carton. The weight and type of linerboard used in Sus-Rap is varied to meet the packaging needs of each individual application. Many appliance manufacturers have realized substantial savings in material cost and labor by standardizing their interior packaging with Sus-Rap.



LOAD-RESTRAINT BULKHEAD

Camus I, Aeroquip's self-adjusting, load-restraining system for piggyback trailers, is an integral part of the trailer. The system is designed so that it cannot be lost, stolen or used in an unsafe manner. The system is available in three standard sizes for minimum rear door openings of 89 to 90 inches. Other sizes are available on request.

LOAD CONTROL

Evans Products' Air Pak bulkhead system prevents voids from developing in cargo during transit. Air Pak takes up slack after loading by applying steady pressure. As loads compact during in-transit handling, Air Pak adjusts to take up the slack that would have developed. Its pneumatic feature prevents side shifting as well as lengthwise movement of lading. One of its biggest advantages is the freedom of choice it offers in size and placement of door openings.

BOX CAR FLOORING

A secret anti-loss and damage device, says Alger-Sullivan, is laminated edge grain longleaf pine flooring for box cars, which lasts the life of the car and provides smooth, continuous flooring for the most delicate lading. Standard rail deck is finished 2¼ in. thick, 12 in. wide and in lengths up to 10 ft. A heavy-duty tongue and groove pattern is furnished for railroad use.

CONTINUED ON PAGE 34

He who se
in price
worst s

In times like these, with rising prices raining down on you, it's human nature to run for the bargain basement.

But don't do it. Price is no protection for your dollar when it comes to roller bearings. Performance is the protection you need.

Performance is the protection you get when you buy Timken® "AP" bearings. Since 1954, we've rolled up billions of dependable miles on all types of freight cars.

And as if that weren't protection enough, we give you the protection of a seven year parts replacement agreement.

Protection for every part, including seals (but not including end cap assemblies), until seven years from the day they're made.

eks refuge gets the oaking.

Protection even for roller bearings we made as long as seven years ago, before we had our parts replacement agreement.

And just recently, we've expanded our agreement to include inspection of qualified bearings in *your* shop.

You won't find a bigger bargain than that anywhere in the world.

The Timken Company, Canton, O. 44706.

Worth more in the long run.

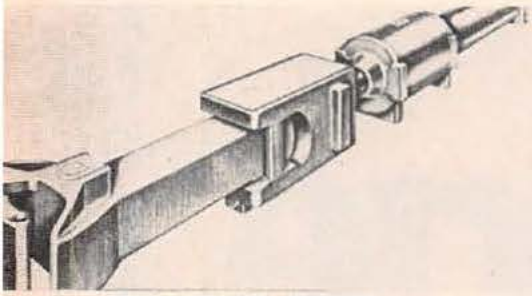
TIMKEN®

REGISTERED TRADEMARK

TAPERED ROLLER BEARINGS

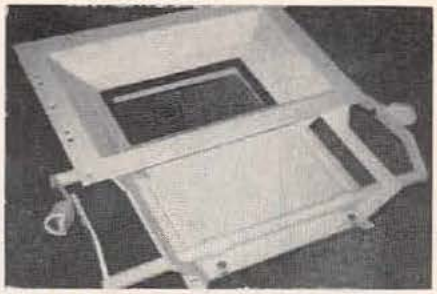
Circle 10 on coupon page 39

L&D-prevention devices (continued)



CUSHIONING DEVICE

Keystone's shock control hydraulic end-of-car cushioning device has passed the two-year mark of successful service. The simple design and rugged construction assures dependable service with minimum maintenance. The device is easy and economical to apply on both new and rebuilt cars. The device comes in a variety of application designs to meet many situations.



BULK LADING PROTECTION

A new covered hopper car outlet has been developed by the Holland Co.'s Freight Equipment Division. The outlet employs a top seal that prevents moisture creeping in from the outside or loss of product from within through breakage. Product unloading can be either through quick release or controlled release. Positive outlet locking is achieved through over-center lever operation.

STABILIZING THE FREIGHT CAR

Two problems related to lading damage are high-speed hunting and car roll. Cars equipped with National Castings Division's swing motion trucks can run up to 100 mph with improved vertical and lateral ride without excessive roll, hunting and the resultant wear and damage. This is accomplished by a unique design incorporating a swing hanger type lateral action.

SAFE AUTOMOBILE HAULING

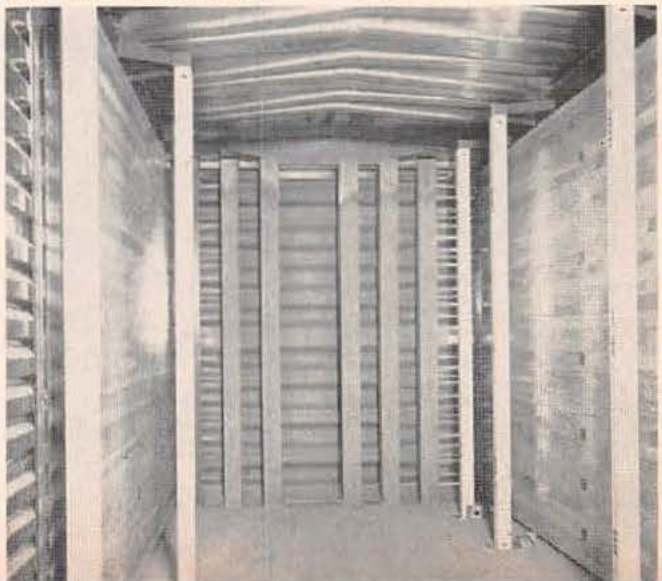
An aggressive damage-prevention program has led to the use of side-protection panels in multi-level rail transportation of automobiles. Portec-Paragon Division has been actively involved in the program and has equipped hundreds of multi-level rack cars with its protective panels. The panels are made of painted and galvanized steel, corrugated galvanized steel or fiber glass. They are held in framing permanently attached to the outside of the rack.

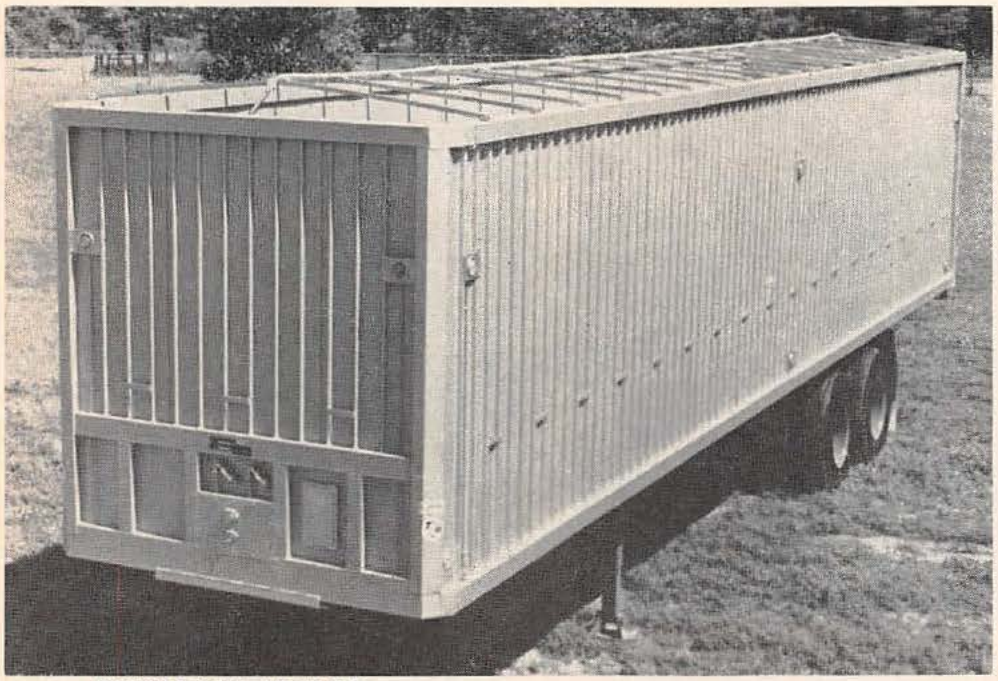
CUSHIONING UNIT

ACF Freight-Saver end-of-car cushioning units provide either 12 or 15 inches of travel to protect both the car and the lading. The units provide protection in both buff and draft. The pneumatic system insures that the unit is always in proper position to cushion the load. A car equipped with an ACF Freight-Saver maintains its distance from adjoining cars during train movement. The self-contained Freight-Saver can be easily installed in any car building shop.

LOW DUNNAGE COSTS

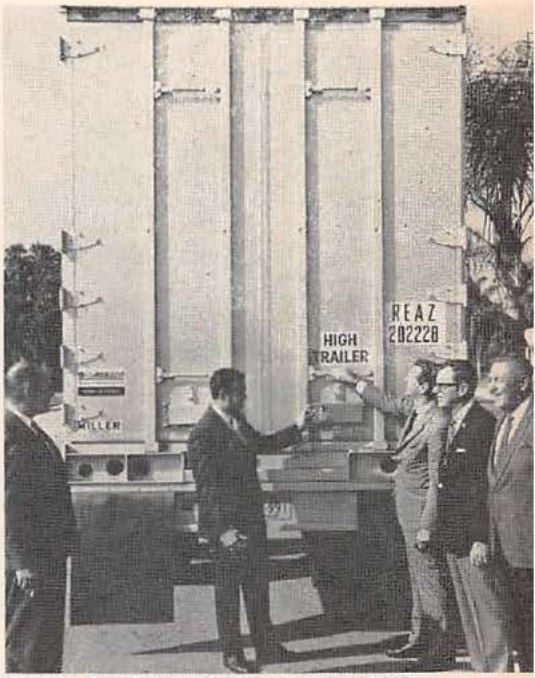
To the manufacturer's knowledge, a claim has never been filed on a Ply-Pak car (a special purpose box car for moving panel products). The dunnage used in Ply-Pak cars is reduced almost to the vanishing point. Loading time is reduced by one-half to two-thirds. The Ply-Pak system is designed to protect any shipment of 4-ft by 8-ft panels of plywood, hardboard, gypsum board and particle board. The Ply-Pak system is said to guarantee that car doors will not be jammed.





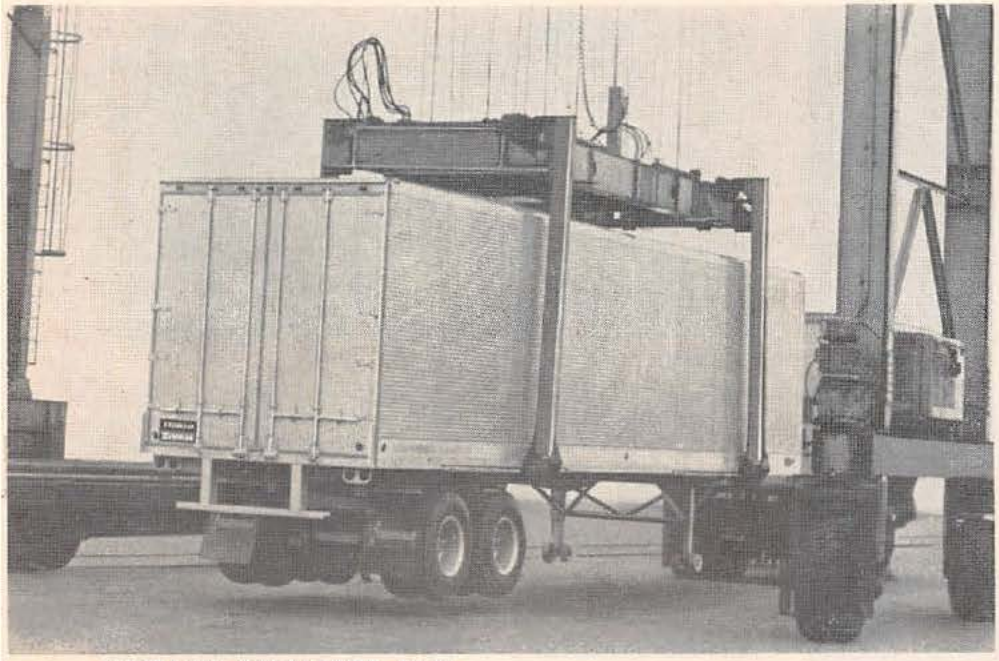
PIGGYBACK TRAILER

A Trailmobile piggyback trailer has been designed specifically for handling highly concentrated loads, such as coil steel, castings and machinery. Among its key features are a heavy-duty flatbed frame, sides of 16-gauge Cor-Ten, captive-type bows and a newly designed locking pin for the shiftable tandem.



TRAILER REAR-DOOR HARDWARE

Hennessy Products engineers, in cooperation with railroad personnel involved in piggyback operations, have designed the Lokwell, a rugged device that transforms rear trailer doors into an immovable bulkhead. In demolition tests in switching and coupling operations, Lokwell's performance outdid conventional hardware. The Lokwell used on each door consists of two rectangular steel bars which form a parallelogram, pivoting at the center. In closed position, the bars fit securely behind heavy keepers. Hence, all force exerted on the doors is transferred to the steel trailer frame. The Lokwell door-closing mechanism has a high-ratio mechanical advantage that closes doors tightly and securely, even if they are slightly sprung.



ANTI-L&D PIGGYBACK VAN

Fruehauf has introduced a new standard piggyback trailer with special anti-loss and damage construction features designed to withstand the toughest loading and unloading techniques. Known as the Z-Van, the trailer, built in both exterior post and beaded panel designs, incorporates Fruehauf's 5½-in.-wide hat-shaped vertical posts and is constructed with an extremely rugged front wall. The tough flooring is supported by extra-wide flange, 4-in.-deep high strength steel I-beam crossmembers and is undercoated with a petrolative-base preservative .

THEFT PREVENTION

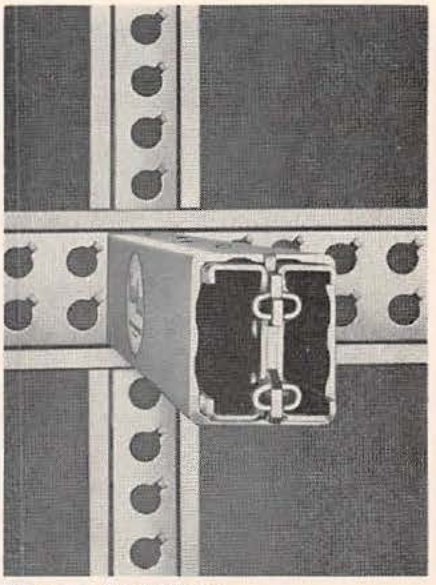
The new Tyden cord lock is designed to provide maximum security against pilfering. The lock cannot be opened without turning the locking arm, and the locking arm cannot be turned without breaking the seal. The lock is guaranteed to be tamperproof.

CONTINUED ON NEXT PAGE ►

L&D-prevention devices

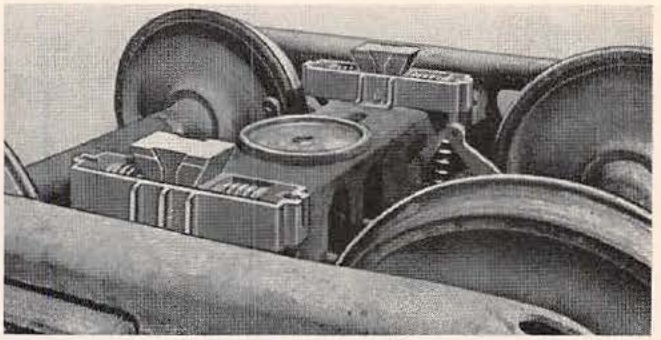
LABORATORY ON WHEELS

FreightMaster's newest test car is this 60-ft, 100-ton box car, the most recent addition to what is considered to be one of the largest private fleet of cars for specialized research on car and cargo protection. Equipped with the company's end-of-car hydraulic cushioning devices, the car is available to assist shippers in developing better techniques of loading and handling to provide better cargo protection.



CARGO CONTROL

Kinedyne cargo control systems, offered under the trade name "LoadLok," have been approved for handling hazardous materials by the AAR Bureau of Explosives. Track design and "dual suspension" end fittings provide unequalled strength for double decking, rear door protection or heavy duty shoring.



BEARING STABILIZER

The Unity no-sway side bearing stabilizer drastically reduces damage to lading and car structure. It is in use on coil steel cars, high-cube auto parts box cars, open-top hoppers, wood chip cars and other types of rolling stock. The stabilizer operates on the principle of spring pressures and friction. Four stabilizers are required per car set. The units are applied to the truck bolster.

IMPACT REGISTER

Checking for damage-producing impacts is part of a program to reduce transit damage to Westinghouse Electric appliances. The impact recorder being held by this warehouseman is manufactured by Impact Register Co. It records the time, direction and force of each shock a carload of appliances has received. The device produces a permanent record that helps Westinghouse pinpoint carriers, routes and other conditions that cause damage to an appliance.

We threw away the paper bags and found a way to ship TiO_2 in bulk

■ *Another example of North American Car innovations that turn demanding customers into happy working partners*

■ Kerr-McGee Chemical Corp. is a large producer of titanium dioxide (TiO_2). It's used in rubber, plastics and inks among other things but perhaps its biggest use is as a white pigment in quality paints.

TiO_2 is rough stuff to ship. It's very fine-grained, compacts tightly, and sticks to things stubbornly.

It is customarily shipped in heavy, strong paper bags. The bags cost money. So does getting the TiO_2 in the bags, stacking, palletization, breakage, and handling.

Obviously, if large volume users could handle TiO_2 in bulk without affecting product purity, a lot of time and money could be saved.

Kerr-McGee transportation, packaging and marketing executives took the problem to North American Car. Together, we worked out a solution.

The result was a modified car that handles almost 100 tons of TiO_2 in bulk. The pressure-differential discharge system is super-aerated. It fluffs the TiO_2 loose so it can be easily and quickly unloaded through air-extraction outlets.

Innovations like this are old stuff at North American Car. It's the best way we know to turn demanding customers into happy working partners.

North American Car Corporation, 77 South Wacker Drive, Chicago, Illinois 60606. (312) 346-0400.

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NORTH AMERICAN

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Circle 11 on coupon page 39

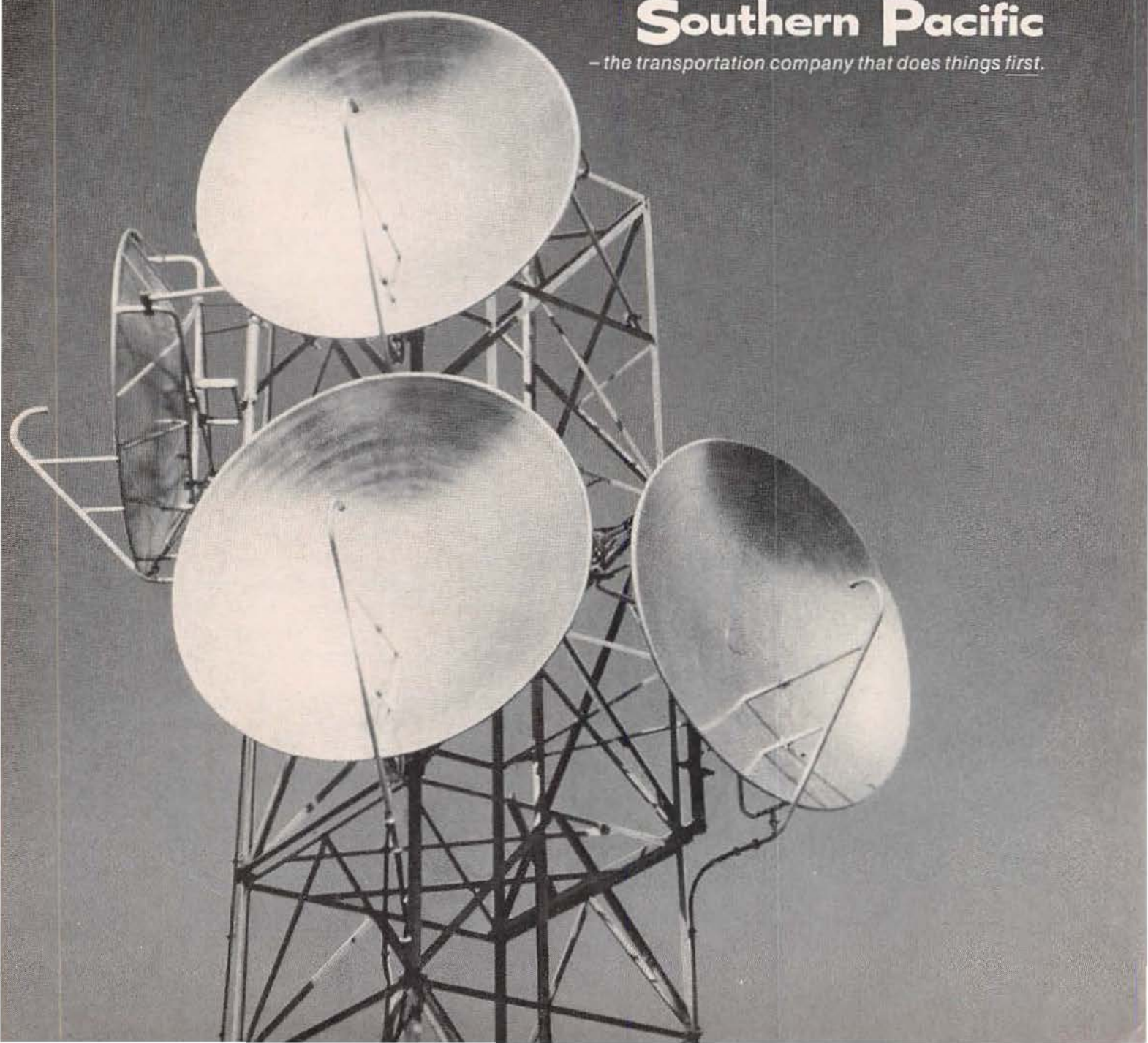
Big sender.

(Southern Pacific's elaborate microwave network helps provide instantaneous information on 120,000 freight cars.)

Running an efficient railroad today takes more than boxcars. It takes multi-million dollar computers and complete real-time information systems. That's one reason why Southern Pacific built the longest, most sophisticated private microwave system in the world. The 6000-mile microwave network serves as a "highway" for a 14,000-mile direct-dial telephone system and for a 450-station computerized data information network called TOPS.® This largest, privately owned communications system permits instantaneous transmission of the thousands of daily operational messages that keep the road running smoothly. It's all part of providing the shipper with the most efficient service available.

Southern Pacific

– the transportation company that does things first.



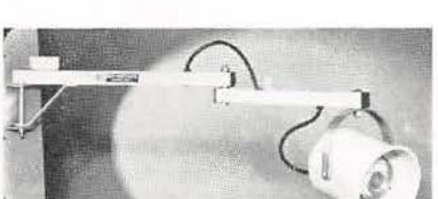
New Products Report

Container handler (RA-1)

The top handling attachment designed to operate on the Model AH60 lift truck has a net capacity of 50,000 lb at a 48-in. load center. It is said to provide additional storage capacity without increasing over-all storage area.

The truck can stack 40-ft (8 x 8 ft) containers three high. The attachment features separate, pivoted end beams with top engagement twist locks which adapt to warped or twisted containers and flared corner guides at the rear of each beam, the mounting of which allows engagement of corner locks on containers up to 10 in. out-of-true level end-to-end. All four hydraulic twist locks operate simultaneously. Indicator lights on the truck cowl signal when locking pins are engaged, but do not indicate engagement unless all four pins are secure.

Through the use of hydraulically operated storage legs, the attachment can be stored anywhere and can be interchanged with forks without use of hand tools. *Towmotor Corp.*



Loading lights (RA-2)

The Model RH40 Rite.Hite.Lite loading light for truck and railcar docks is a dual-arm type with a 40-in. reach. The gimbaled lamp head, with spring loaded washers, adjusts to any position. The cushion-mounted socket safely cradles standard R-40 or PAF 38 type 150- or 300-watt bulbs. The U.L. listed light is completely factory wired with non-tangling No. 18 three-conductor grounded wire to handy arm-mounted connector box. A built-in lamp head toggle switch provides off-on operation. The 3- x 5-in. plated steel mounting plate attaches to walls or beams with four mounting bolts. *Rite-Hite Corp.*

Load moving platform (RA-3)

The Aero-Truck is a self-propelled moving platform which floats on a thin film of air as it moves on Aero-Casters built into the base of the platform. Propane engine, blower and control panel are mounted on the platform bed, which is also the load-moving surface. The power-driven platform, capable of moving loads up to 50,000 lb, can be maneuvered into very tight spaces and turned within its own length. An air-operated retractable guide wheel under the center of the platform provides tracking and positive steering but allows full traverse motion.

Units are now in operation at McClellan Air Force Base in California transferring 15,000-lb cargo containers from a conveyor tc a ball-transfer top on the truck. The load is then moved by one operator to another conveyor-section area and repositioned. *Aero-Go, Inc.*

Plastic pallet (RA-4)

A new design in polyethylene plastic pallets provides greater strength, more versatility and heavier load capacities. Called PDI Pallet, the one-piece, double-face pallet is designed for shrink-wrap packaging of unit loads. It has a static load capacity of 15,000 lb plus. Sizes range up to 60 by 60 inches. A popular size weighs about 27 lb and is priced at approximately $15. It provides four-way lift truck entry and is available with casters, handles, sides and ends for conversion into storage bins. The pallets can be provided in single face, which

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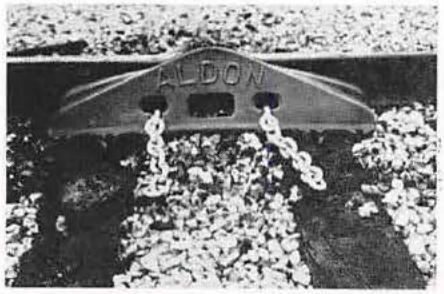
nests for storage. They resist fungi, bacteria, moisture and chemicals, can be steam-cleaned, sterilized and color coded. *Pallet Development, Inc.*

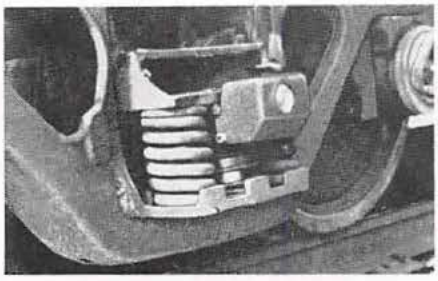


Double-end re-railers **(RA-5)**

Aldon double end car replacers are now available in Alloy 100-120 steel with the point of yield three times the average and an increased hardness factor. These double-end re-railers—specially designed for operations requiring extra-heavy-duty capacity—withstand heavy wheel loads and resist flange cutting. This results in longer wearing and better service characteristics. The replacers are available with optional holding chains. *Aldon Co.*

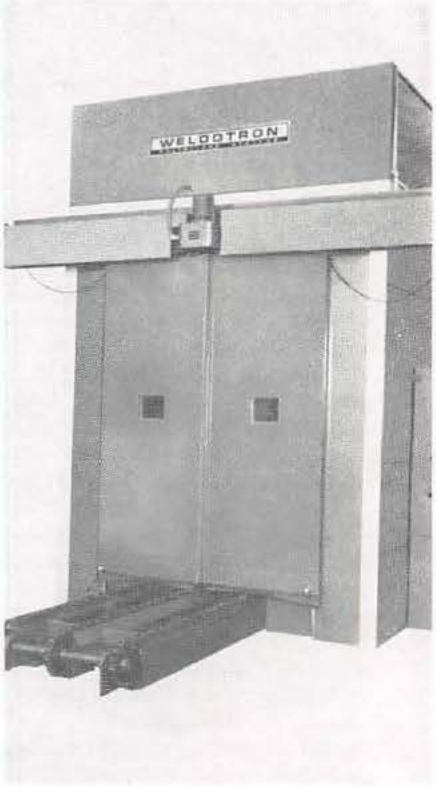
Bulk container **(RA-6)**

A design innovation in packaging and handling bulk materials speeds product loading and reduces direct packaging costs. Redi-Lift corrugated bulk containers have features which facilitate handling granular, flake, powdered or other bulk products. They save the user the expense of handling and packing small, multiple containers. The containers, presently available in 20- and 40-cu-ft capacity, are built for bulk loading through the top and self-discharge of materials through removal of banding around the bottom. The containers easily accommodate 1,000 to 2,000 pounds of bulk materials. *H&D Container Division, Westvaco Corp.*



Ride stabilizer **(RA-7)**

The HS-6 hydraulic ride stabilizer is said to control lateral rock and roll and to improve vertical ride on all types of freight cars. It is a single acting unit, acting only in the compression stroke of the springs. It replaces one spring in the spring nest; develops a high damping force; controls lateral rocking at low speed; and "materially" reduces vertical bounce of cars in the 40- to 60-mph speed range. The unit, which is positioned within AAR clearance lines, does not stiffen the spring nest when car is riding empty, but is effective only when car is operating in a loaded condition. Four units are used per car. It can be applied to existing trucks. *A Stucki Co.*



Heavy-duty shrink tunnel **(RA-8)**

The 7720-series shrink tunnels can shrink film-wrapped pallet loads at rates up to 90 loads an hour. The straight-through tunnels can be integrated with specially designed heavy-duty conveyors to provide a fast, efficient, over-all system. The tunnels utilize the manufacturer's Omni-Flow air pattern system designed to produce optimum pallet shrink results.

In operation, a film-wrapped pallet load is transferred onto the conveyor of the 7720 unit. As the load approaches the tunnel entrance, a sensing device causes the motorized infeed doors to open and the load to advance. After the load is automatically positioned within the tunnel, the infeed doors close and the load dwells for a pre-set interval. When the dwell cycle is completed, exit doors open and the load is discharged. The cycle is then automatically repeated for the next load. *Weldotron Corp.*

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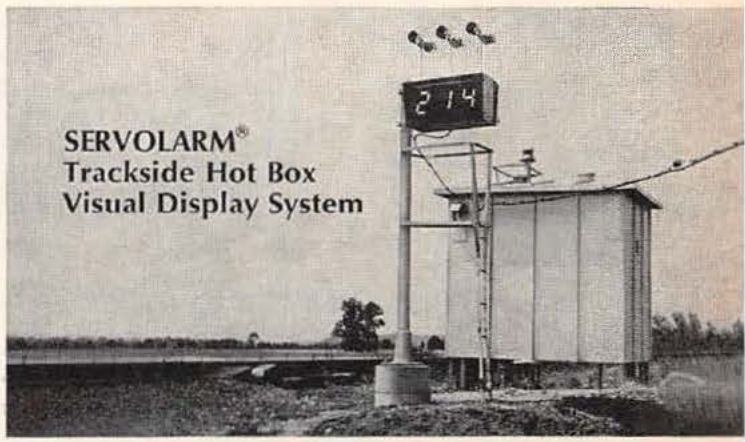
"Never you mind 'bout that new Servo display system you're gettin' next month—right now, start walkin' and don't stop till you find the hot box!"

EVEN without the guns pointed at him, our railroad friend's task of "walking the train" to find a hot journal box was not an enviable one. It certainly would have been simpler and quicker if he did have our new SERVOLARM® Trackside Hot Box Visual Display System.

Designed to operate with a standard SERVOSAFE® Hot Box Detector System, the SERVOLARM visually signals the presence of a hot journal box and also pinpoints its location by means of a digital readout axle count. SERVOLARM helps to eliminate train stops and crew delays. It simplifies and speeds up the entire hot box location procedure by directly notifying the crew via a trackside display board.

SERVOLARM can be quickly and easily installed with a minimum of construction equipment and labor, while eliminating long-distance wiring and extensive communication equipment costs. Compared to other, more complex methods of communication, SERVOLARM offers greater reliability and reduced maintenance.

Are you tired of looking for hot boxes the hard way? Take a look at SERVOLARM—just ask for Tech Data Publication 2013.



Bi-directional display board presents digital readout, showing axle count location of hot journal box. If no hot boxes are detected, display board reads "000". Flashing signal lamps on top indicate presence of hot box.

SERVO SYSTEM SERVICE—Servo Corporation of America backs up its railroad products with dependable support and assistance—site survey, application engineering, detailed proposal, installation checkout, plus field service and personnel training.

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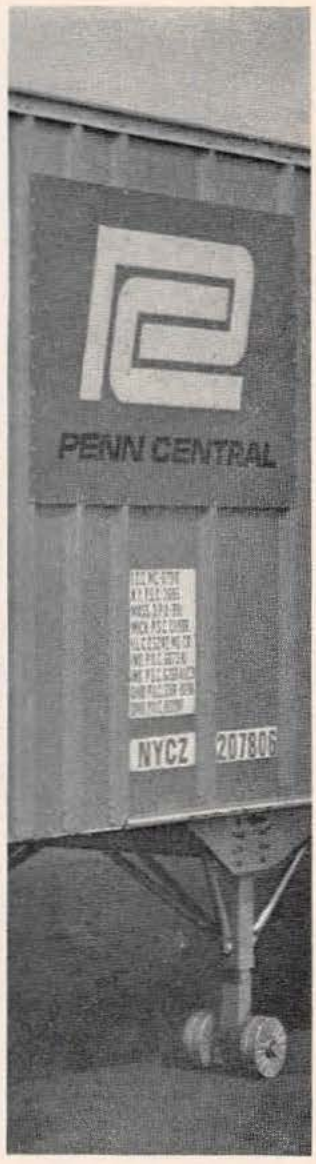

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Circle 16 on coupon page 39

IC's New SNUGGLE VAN protects your fragile cargo

A year of tests has proved it. With many kinds of fragile loads. Over highways and on the rails. The proof: at year's end—not a single damage claim.

What makes Snuggle-Van great? A new Snuggle-up bulkhead called Camus* I. After the trailer is loaded this bulkhead swings down and moves gently against the load, just tightly enough to hold the cargo in position. For a maximum load, the bulkhead adjusts from the rear of the trailer. If the load nests or settles, Camus* I moves forward, taking up the slack to hold the load secure.

Snuggle-Van does more than save on damage. It saves on exotic blocking and bracing methods. It's been tested on such items as beer, sugar, chemicals, paint, canned goods, bakery goods, bathroom fixtures and other freight.

We have Snuggle-Vans ready to move your fragile cargo damage-free. More are coming. That's how IC keeps its big and varied piggyback fleet up to date.

Ask any IC traffic salesman today how you can make Snuggle-Van pay you a profit. Or call or write Bud Logan, Director Piggyback Sales, 135 E. Eleventh Place, Chicago, Ill. 60605. Phone (312) 922-4811.

*T.M. Aeroquip Cargo Control Systems.

Illinois Central Railroad

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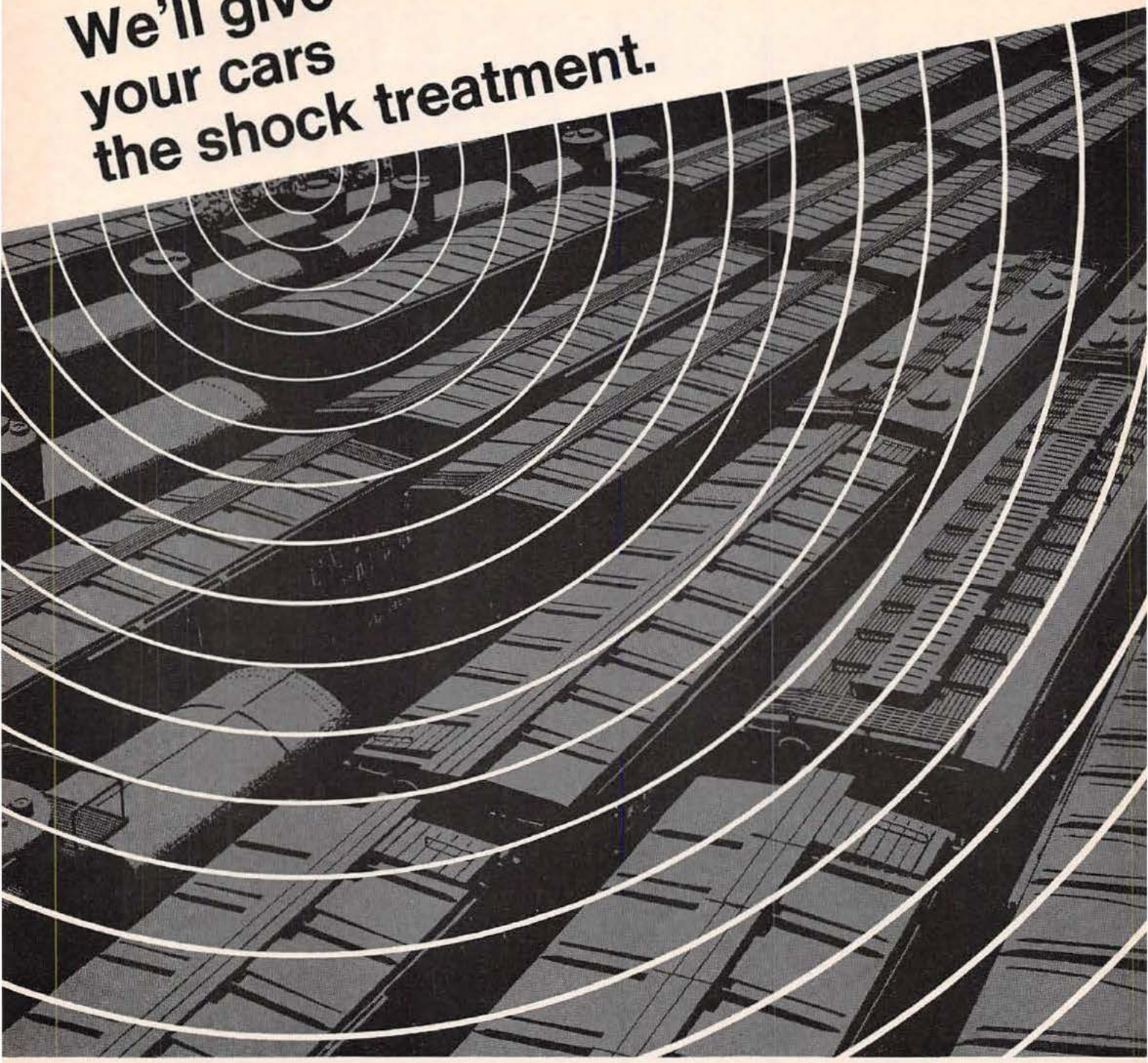
Circle 14 on coupon page 39

We'll give your cars the shock treatment.



Monroe® is the number one manufacturer of ride-control products—with the most complete line for just about anything that requires damping. Whether it's an automobile on a bumpy road, a racing champion at Indy, a combat vehicle in Vietnam, a trailer carrying a boat, or a shipping container—Monroe shocks have smoothed the way.

But more important to you, we've been working on the railroads. On high-speed transit cars. Freight cars. Piggy-backs. Locomotives. Meatrails. And pantographs.

If you have equipment that rocks and rolls, shakes and sways—maybe it could use the Monroe Shock Absorber treatment. Write Walter Karalewitz, Railway Division, Monroe Auto Equipment Company, 1426 East First Street, Monroe, Michigan 48161.

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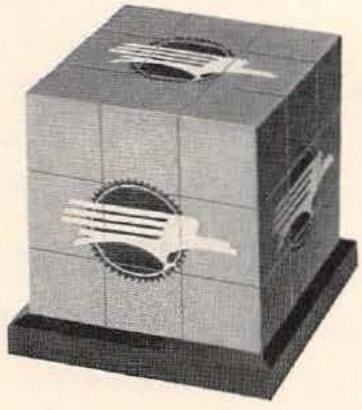
Circle 15 on coupon page 39

Container Shipping is one big puzzle.

But it can be solved. Through Mo-Pac's Containerpak Plans.



MoPac's CONTAINERPAK Plans systematically outline methods, modes, rates, and responsibilities for any container shipment.

CONTAINERPAK I: Container on flatcar from stuffing through stripping. CONTAINERPAK II: Chassis-to-flatcar-to-chassis; MoPac doing all handling. CONTAINERPAK III: Piggyback, wheels all the way. CONTAINERPAK X: Custom service, for special shipping problems.

Only MoPac could create CONTAINERPAK and make it work. MoPac has rails and truck lines in 12 states, and connections to all U. S. ports. Plus a vast network of gantry cranes and other equipment. Plus chassis leasing capability nationwide. That's real container service. That's MoPac.

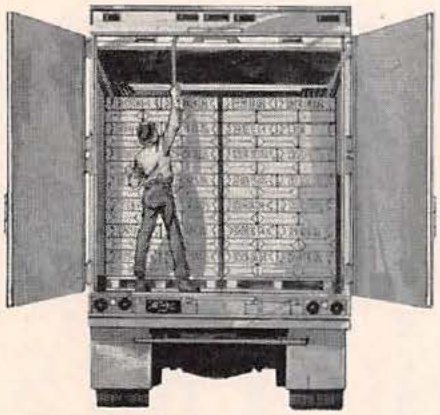
mo-pac hauls all

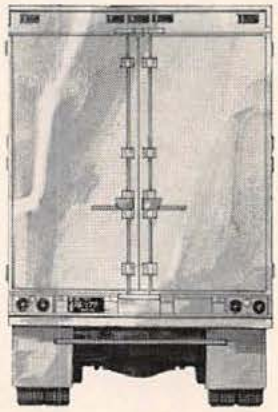
all cargos . . . all quantities . . . intermodal . . . worldwide

Missouri Pacific Railroad / Texas & Pacific Railway / Chicago & Eastern Illinois Railroad

Circle 31 on coupon page 39

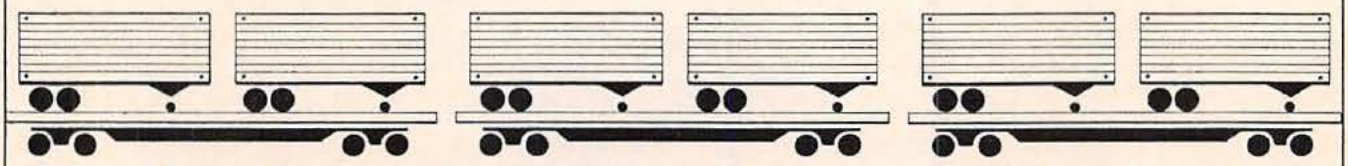
New Camus I™ gives you Memory Control Cargo Control.





You can't close doors

until it's in place!



The New Aeroquip bulkhead automatically advances to hold retreating loads and prevents voids in the cargo.

The new CAMUS I (**C**aptive **A**djustable **M**ust **U**se **S**ystem) is designed to store in the roof of the trailer for unhindered loading. When loading has been completed, the trailer doors cannot be closed until the bulkhead is down.

Using the CAMUS I bulkhead is as easy as closing the trailer doors. By grasping a strap, the device is pulled out and down from the roof (shown in photo at right), then advanced to the face of the cargo. The bulkhead automatically locks in position, providing rigid confinement against rearward movement of cargo. Should the load retreat from the bulkhead during transit, the bulkhead follows and maintains its rigid confinement of the cargo. Using CAMUS I reduces the need for disposable dunnage and eliminates the need of shoring beams, plywood, gates or for stepping down of the load. For more complete information, write for Bulletin CCB-18, Aeroquip Corporation, Industrial Division, Jackson, Michigan 49203, subsidiary of Libbey-Owens-Ford Company.

Aeroquip products are protected by patents internationally.

Aeroquip CAMUS I was carefully engineered to make raising and lowering simple and effortless.

Aeroquip

INDUSTRIAL DIVISION

Circle 17 on coupon page 39

This new grease seal is why today's GM locomotive is even more reliable.

If grease gets into the armature bearing from the gear case, it contaminates the bearing lubricant and can lead to bearing failure. This problem comes from overfilling the gear case. Since that's something we can't control, we redesigned the traction lubrication system on new GM locomotives. Now, even if too much lubricant is used, your bearings will be protected.

First, we put an overflow hole in the gear case so the excess can drain when the unit is stopped. But grease could still squeeze through the rotating clearance seals and enter the armature bearing. Correcting this required complete redesign of the bearing seal. Now any migrating grease is stopped by a partition plate and drains back to the case.

The new system is automatically self-purging. Excess lubricant is expelled to the road bed, rather than getting into the bearing.

Laboratory and field tests showed that even when the new system is overcharged, no grease contaminates the armature bearing lubricant. This new way to extend bearing life is just one more example of the things we're doing to make sure your next GM locomotive is even more reliable and easier to maintain.

GM
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Electro-Motive Division
La Grange, Illinois

Circle 18 on coupon page 39

Freight and Passenger Car Charts

These charts are very helpful to AAR billing clerks, mechanical engineers, purchasing and stores personnel, car inspectors, write-up men, car foremen, and anyone else who needs a knowledge of car parts and their relation to each other.

The charts include a cutaway diagram of the car and a listing of important parts with arrows showing where the part is located. These charts are used in our apprentice technical training program for the carman craft.

$2 each

If you are not satisfied

YOUR MONEY WILL BE REFUNDED

if you return the charts to us within 30 days

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Please send the charts I have checked below. If I am not satisfied I will return the charts within 30 days for a full refund. I enclose a check or money order for $2.00 for each chart.

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- ☐ Mechanical Refrigerator Car, Modern design (18x22 inches)
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- ☐ Covered Hopper Car (22x30 inches)
- ☐ Tank Car, I.C.C. 103-W, (23x35 inches)
- ☐ Passenger Car, Light-weight, streamlined (14x22 inches)
- ☐ Passenger Car, Air conditioned, chair (18x35 inches)

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People

BALTIMORE & OHIO.—George B. Bull, Jr., trailer service traffic representative, appointed regional sales manager—trailer service, Baltimore, succeeding **Robert L. Caldwell,** retired. **John E. Brummer,** customer service manager, St. Louis, appointed trailer service terminal manager, East St. Louis, Ill.

BATTELLE MEMORIAL INSTITUTE. — James J. Wright has joined the Columbus Laboratories staff of Battelle Memorial Institute as director of railroad transportation, Columbus, Ohio. Mr. Wright recently resigned as general mechanical superintendent—locomotive, **Penn Central,** Philadelphia. He was previously vice president and director, Cleveland Technical Center, PC.

CHESAPEAKE & OHIO—BALTIMORE & OHIO.—C. Vernon Cowan, vice president in charge of the operating group, elected senior vice president, with offices in Cleveland and Baltimore.

Frank D. Jones, Jr., assistant manager of personnel—salary administration, appointed director of compensation and benefits, Baltimore. **Charles F. Brandenburg, Jr.,** manager personnel—staff, appointed director of employment.

Calvin T. Morris, sales representative, Indianapolis, promoted to district sales manager, Miami, Fla., succeeding **William J. Melvin Jr.,** transferred to Philadelphia, to replace **J. B. Billison,** retired. **Edward**

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PROTECTING RAILROAD CARGO SINCE 1897

Being oldest is one thing. Being best is something else. Tyden is both — as more than 90% of North America's railroads testify by their exclusive use of the Tyden Seal. Should you be among the few who haven't gotten the word, please write today for free samples and details. We're not too old to move fast.

THE TYDEN SEAL COMPANY
Division of The Viking Corporation ☐ Hastings, Michigan 49058

Circle 19 on coupon page 39

We've put a nation-wide network of A-I-D® Service Specialists together.

You put them to work–anytime, anyplace.

The trend of sell 'em and forget 'em isn't our style at FreightMaster. We have living proof that we're totally serious when it comes to service before, during, and (most important) after the sale.

The proof is our system of Assistance-In-Depth Service Engineers located throughout the nation. These A-I-D specialists are our anytime, anywhere johnny-on-the-spot experts when it comes to keeping FreightMaster equipment performing for you.

It takes a lot to become number one in end-of-car cushioning sales. We're doing a lot to maintain the confidence you expressed by making us number one.

The A-I-D team is just one effort. Ask your FreightMaster Sales Engineer about some of the others. He has the whole story on why FreightMaster should be number one in your cushioning program plans, too.

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MEMBER RPI

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Henry G. Hohorst
Jersey Central

Albert M. Schofield
PC

Bernard Pedersen
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W. R. Fisher
WABCO

L. G. Phillips
WABCO

F. Hamilton, sales representative, Cleveland, promoted to district sales manager, Des Moines, Iowa, succeeding **T. J. King,** retired after 48 years of service.

DELAWARE & HUDSON.—John R. Mayernik appointed district sales manager, Portland, Me., succeeding **Irvin W. Kelley,** retired.

ERIE LACKAWANNA.—Has reorganized its piggyback sales into an intermodal traffic and sales organization. Offices in Cleveland, Chicago and Hoboken are under the direction of **P. W. Johnston, Jr.,** assistant vice president, intermodal traffic, Cleveland. **George P. Kirtley,** regional manager, intermodal traffic, heads the Eastern organization at Hoboken, assisted by **James G. Decker,** manager of intermodal sales, and **George W. Krom,** manager of mail, express and consolidator traffic. **R. J. Randall,** regional manager intermodal traffic, heads the Western organization, assisted by **Leroy Pietz,** manager intermodal sales, and **Richard Crossland,** assistant to the regional manager.

Harold D. Bennett and **Victor DeBard** appointed administrative assistants to vice president—traffic, Cleveland.

At Hoboken, N. J.: **John Brain, Jr.** appointed administrative assistant to assistant vice president—sales, and **Al J. Batista,** administrative assistant to assistant vice president—rates.

At Chicago: **Herman K. Breitkopf** appointed administrative assistant to assistant vice president—sales.

James P. Brady appointed engineer fire protection, Hoboken.

FRISCO.—M. F. Kuhl appointed assist general manager rates, succeeding **O. P. Wieland,** retired.

GENESEE & WYOMING.—Charles E. Fuller appointed assistant vice president—finance and traffic, Retsof, N. Y. Positions of comptroller, traffic manager and assistant treasurer, formerly held by Mr. Fuller, have been abolished.

JERSEY CENTRAL.—Henry G. Hohorst appointed vice president—marketing and sales, Newark, N. J., succeeding **James L. Barngrove, Jr.,** retired after 40 years in the railroad industry. Mr. Hohorst was formerly director of railroad sales, **ACF Industries.**

PENN CENTRAL.—Albert M. Schofield, assistant vice president—passenger operation, appointed vice president—reorganiza-

RAIL—WATER—EXPORT AND DOMESTIC SHIPPERS OF...

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Circle 22 on coupon page 39

My 40 foot ship on wheels will deliver your goods safely...

Here's how to play it safe to Japan.

My 40 foot "Kontainer will come direct to your door.

On its own wheels.

This is important.

Your goods will speed smoothly over land. By truck. By train. In door-to-door safety.

Plus you will get an extra 180 cubic feet of free space than you would in two marine 20 footers.

Because my 40 foot "Kontainer is six inches higher.

You will have a choice of "Kontainers, too . . . dry, refrigerated, insulated and more . . . to ship whatever you've got.

Because we're that kind of company. . . pioneering new ways to give you "more" for your shipping dollar.

And we've got the ships – 200 of them – to ship your goods quickly, safely and economically.

What "more" could you ask for?

Ask for a free estimate.

Tell 'em the "Kaptain said it was O"K"...

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Your 40 foot "Kontainer on wheels door-to-door U.S.A.-Japan

tional planning. He will assist the trustees in developing plans for the reorganization of the company under Section 77 of the Federal Bankruptcy Act. **Harold L. Wood,** director—operating planning research, appointed senior planning consultant, and **John C. Sperry,** director—planning coordination, appointed planning consultant. Both report to Mr. Schofield.

INDUSTRIAL TRAFFIC

Gordon W. Huneke has been named traffic manager, Van Camp Sea Food Division, Consumer Products Group, **Ralston Purina Co.,** St. Louis. He was formerly export traffic manager, St. Louis.

Carl R. Anderson, director of physical distribution operation and planning, **Whirlpool Corp.,** Benton Harbor, Mich., has been named director of corporate traffic, replacing **Cal Cunningham,** recently promoted to director of divisional sales for Whirlpool's refrigeration group at Evansville, Ind.

Sherman Staire, general traffic manager, **Wickes Corp.,** Saginaw, Mich., has been appointed director—distribution and traffic. **George O. Puravs,** chief rate analyst, has been named manager—corporate traffic.

Herbert Batchelor has been appointed traffic manager, **Marblehead Lime Co.,** and **Donald C. Gustafson** has been named assistant traffic manager. Mr. Batchelor, who has been with Marblehead Lime for 14 years, succeeds **P. Donald Jones,** retired.

SUPPLY TRADE

Bernard E. Pedersen has established a consulting service, **Marketing Effectiveness,** to coordinate sales training programs with advertising and public relations. Mr. Pedersen was formerly public relations-advertising-sales training director, **Western Pacific.**

W. R. Fisher, eastern regional manager, Signal & Communication Division of **WABCO,** Philadelphia, has been named eastern sales manager. **L. G. Phillips,** southwestern regional manager, St. Louis, has been appointed western sales manager. Both will report to **C. F. Wert,** manager of marketing, and both will be located at divisional headquarters in Swissvale, Pa.

Benton G. Weimer, senior staff accountant, **WABCO,** Pittsburgh, has been appointed controller, Monorail Division, Wildwood, N.J.

V. J. Poremba, controller, Signal & Communications Division of **WABCO,** Pittsburgh, Pa., has been appointed manager, management information systems for the division.

M. B. Crowley has been named special sales representative, **Drott Manufacturing Co.,** with headquarters in Wausau, Wis. Mr. Crowley will serve railroads in the eastern half of the United States.

John E. Campbell has been named controller and **John F. Kempf,** materials manager, **Western-Cullen Division, Federal Sign & Signal Corp.**

Dr. N. John Beck has been named vice president-transportation systems, **Rohr Corp.** He was formerly president and general manager, **Advanced Products Division, White Motor Corp.**

Edward C. Rathmann, general sales manager, **Magnus Metal Corp.**—subsidiary of National Lead Co., has been appointed vice president—sales, Chicago.

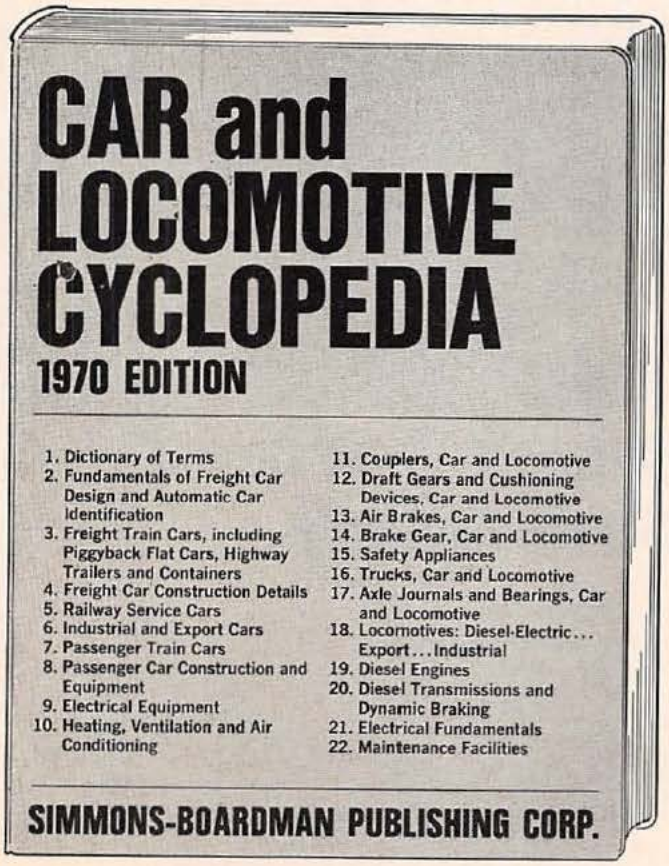
Central Equipment Co., Inc., Chicago, has been appointed mechanical department railroad sales representatives for **NIFE Incorporated,** Copiague, N.Y.

Edwards and Kelcey has retained **Tecton Media Inc.,** New York, as public relations counsel for both domestic and international operations.

Jack A. Palmore, manager of sales administration, Shippers Car Line division, **ACF Industries,** New York, has been named manager of sales.

William Waite has been elected senior vice president, **Transco Inc.**

Norman W. Seip has been appointed general manager, Transportation Industries Sales Department, **General Electric Co.,** Erie, Pa.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6. Industrial and Export Cars
7. Passenger Train Cars
8. Passenger Car Construction and Equipment
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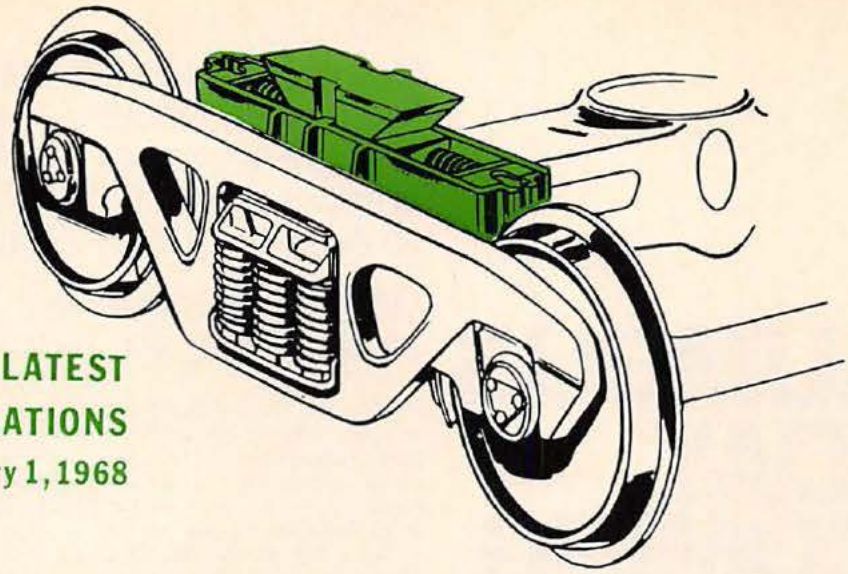

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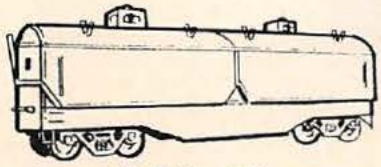
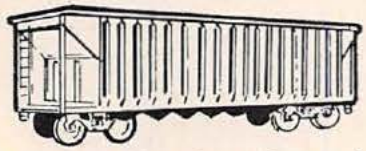
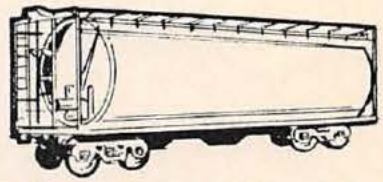


Coil Steel Cars

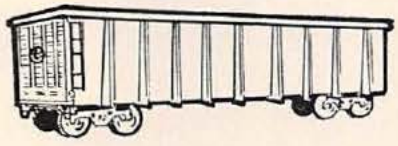


Steel or Aluminum Covered Hopper Cars

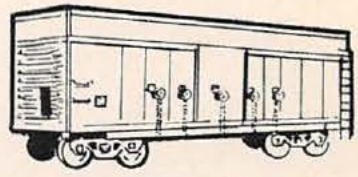


Cylindrical Covered Hopper Cars

Open Top Hopper Cars



Aluminum Gondola Cars



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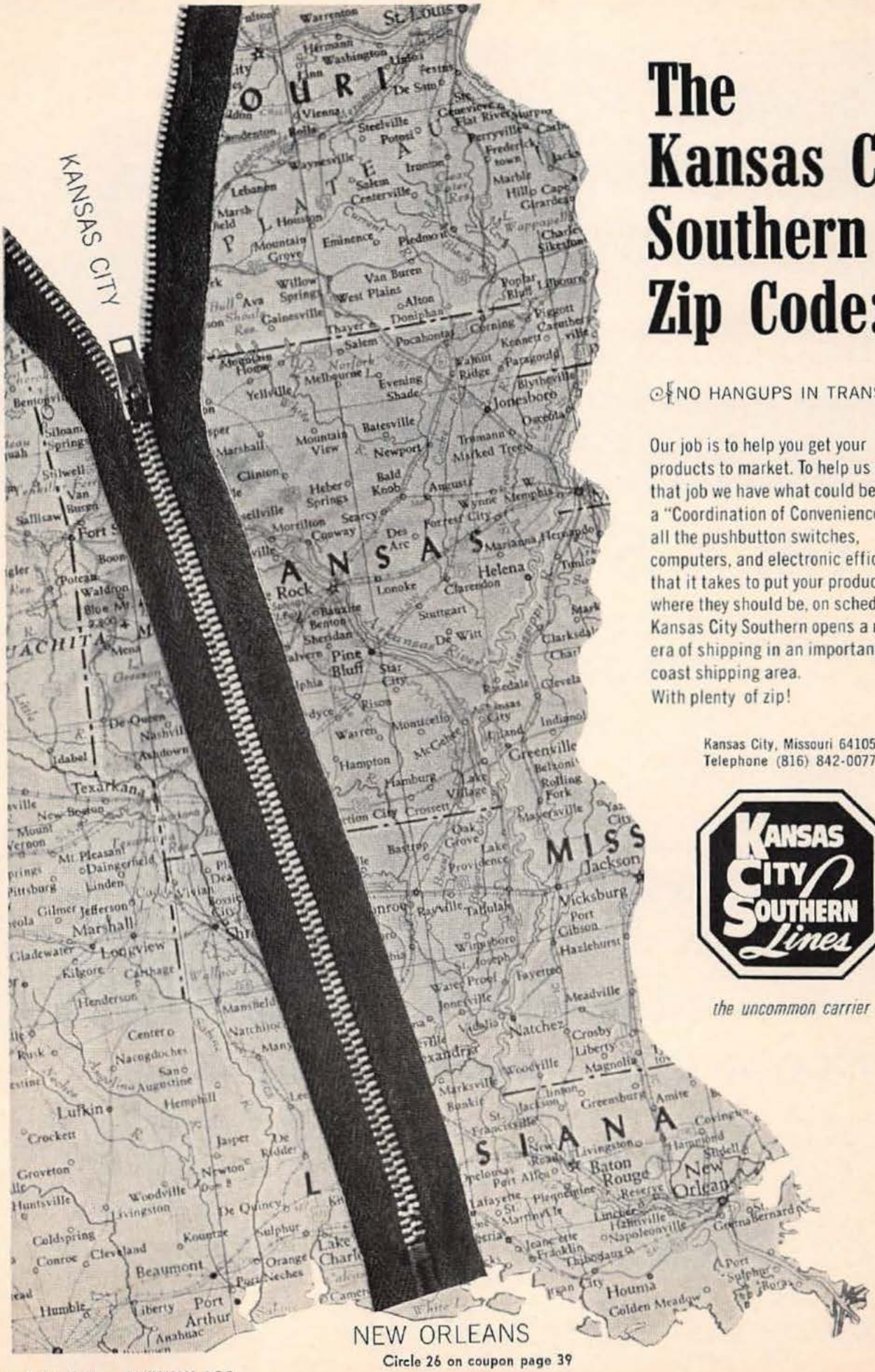

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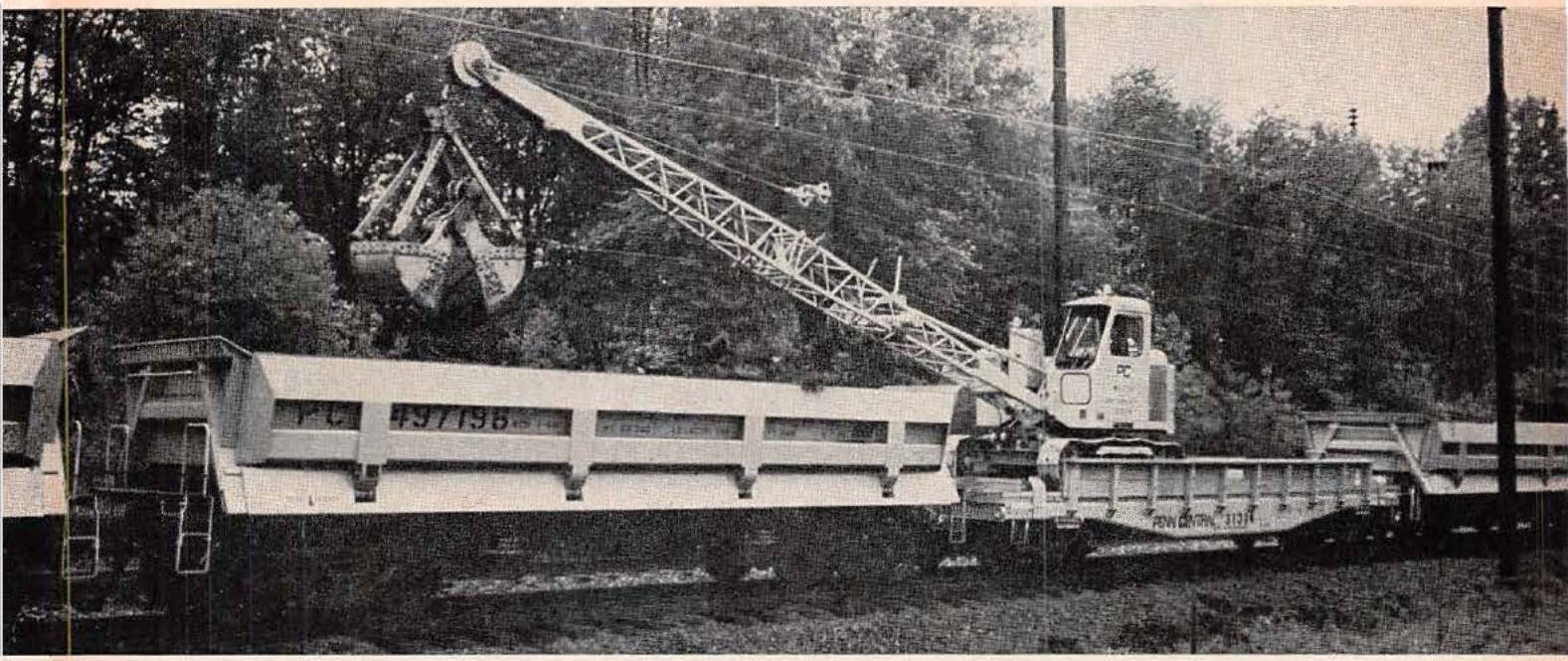

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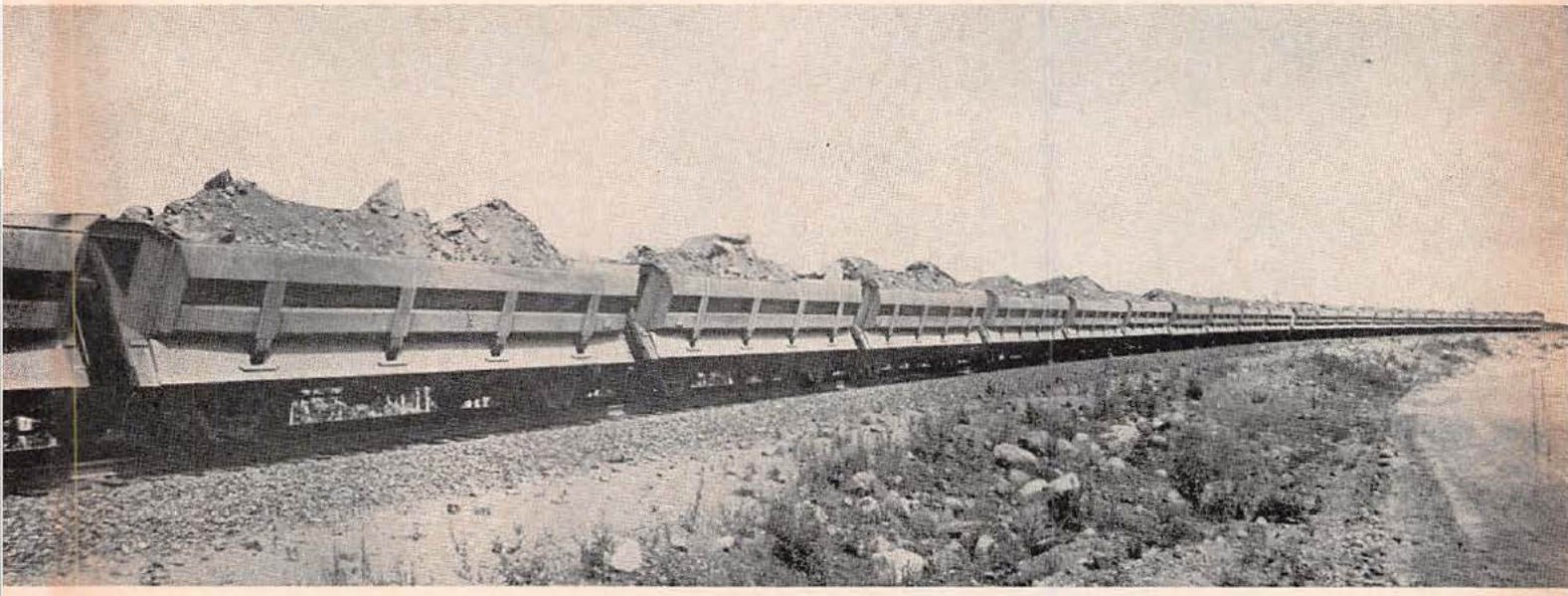

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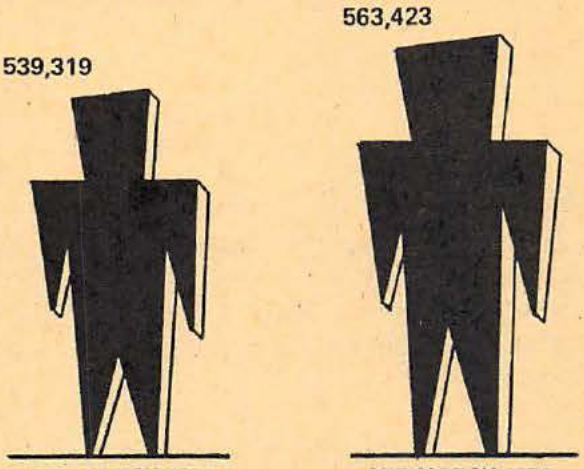
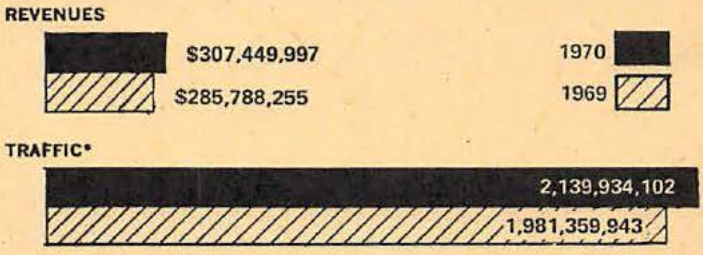


Source: Bureau of Accounts, ICC.

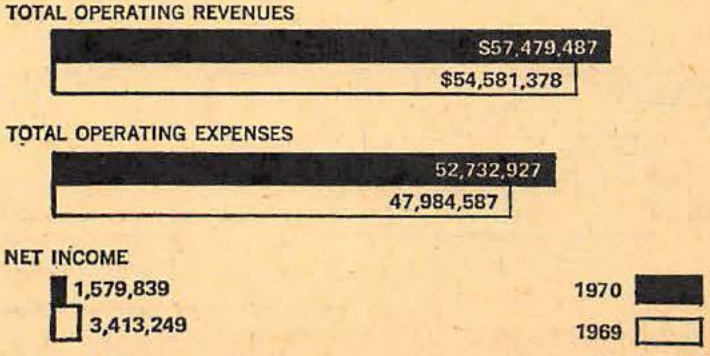
TRANSPORTATION REVENUE AND TRAFFIC OF OIL PIPE LINE COMPANIES
(FOURTH QUARTER 1970 AND 1969)



** Barrels of oil originated on line and received from connections.*

Source: Bureau of Accounts, ICC. Compiled from reports of 92 pipe line companies having individual operating revenues exceeding $500,000.

FREIGHT FORWARDERS—SELECTED STATISTICS
(THIRD QUARTER 1970 AND 1969)



Source: Bureau of Accounts,ICC. Compiled from 67 quarterly reports of forwarders with annual gross revenues of $100,000 or more.

NEW FACILITIES

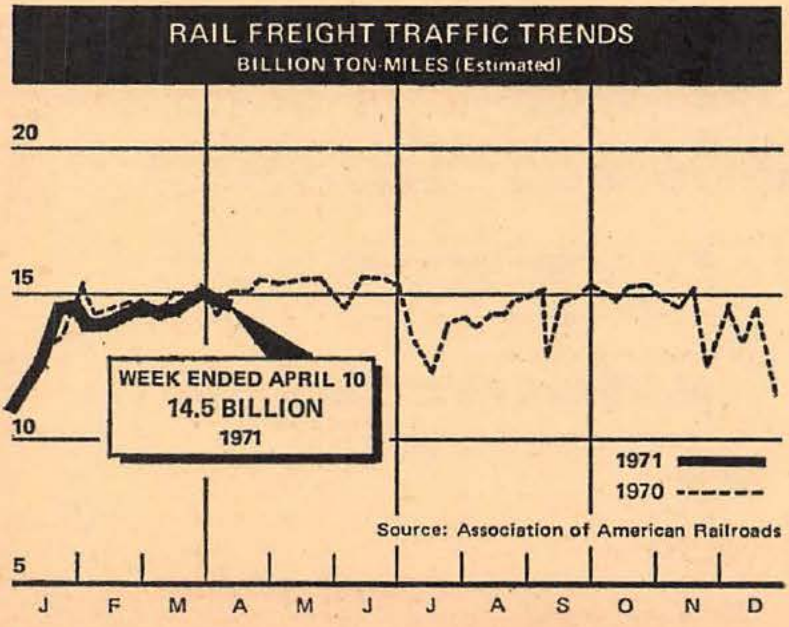
● *Penn Central.*—Ordered CTC equipment from General Railway Signal for installation on two branches of the Niagara Falls Subdivision and a section of the Fort Erie Branch at Welland, Ont. These lines are being relocated due to expansion of the Welland Canal.

● *Union Pacific.*—Budgeted $31 million for track and roadway improvements in 1971. UP's rail program will include installation of new 133-lb rail in 214.52 miles of mainline track (189.78 miles continuous-welded) and installation of relay 131- and 133-lb rail in 230.07 miles of main and other track. Also scheduled are installation of 715,000 crossties and surfacing and lining of 1,223.18 miles of track.

● *Washington Union Terminal.*—A $2.5-million contract has been awarded to General Railway Signal for resignaling and consolidation of controls. Trackage is being rearranged in connection with the rail-transit system being built by the Washington Metropolitan Area Transit Authority.

FOREIGN

● *Nigeria.*— Will purchase 54 diesel locomotives from MLW-Worthington Ltd., Montreal, with proceeds of a $20-million loan granted by the Canadian International Development agency.



Market Outlook

CARLOADINGS

Loadings of revenue freight in the week ended April 10 totaled 505,538 cars, according to the Association of American Railroads. This was a decrease of 7,875 cars, or 1.5%, compared with the previous week, and a decrease of 29,990 cars, or 5.6%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended April 10 are estimated at 14.5 billion, a decrease of 4.3% below the corresponding week of 1970.

REVENUE FREIGHT CARLOADINGS

Commodity	Apr. 10 week	Apr. 3 week
Grain	23,060	24,033
Farm products	11,123	10,955
Metallic ores	24,732	23,556
Coal	104,859	94,772
Crushed stone, gravel & sand	25,574	25,347
Nonmetallic minerals	9,895	9,932
Grain mill products	18,041	18,072
Food & kindred products	23,868	25,517
Primary forest products	24,333	24,383
Lumber & wood products (except furniture)	15,179	15,573
Pulp, paper & allied products	22,303	24,308
Chemicals & allied products	32,943	33,257
Petroleum products	9,194	9,217
Stone, clay & glass products	19,040	19,301
Coke	8,666	9,594
Metals & products	27,119	30,406
Motor vehicles & equipment	22,259	25,763
Waste & scrap materials	14,750	15,409
Forwarder & shipper assn. traffic	5,396	5,982
All other carloads	65,592	67,586
LCL traffic	612	589
Total cars loaded	505,538	513,552

CUMULATIVE TOTAL, 15 weeks	1971	1970	1969
	7,329,905	7,482,942	7,627,017
Estimated revenue ton-miles (billions) 15 weeks	212.5	214.7	213.4

PIGGYBACK CARLOADINGS

U. S. piggyback loading for the week ended Apr. 3 totaled 23,730 cars (1.1% below the corresponding week last year) and 39,137 trailers or containers (up 4.7% from 1970). Cumulative volume for the first 14 weeks of 1971 is 317,058 cars (off 6.7% from last year) and 509,199 trailers or containers (down 6.9% from 1970). In addition to freight, 3,488 cars carrying 5,395 trailers or containers of mail and express traffic were handled piggyback. Cumulative figures for the first 14 weeks of 1971 are 48,867 cars (up 7.1% from the 1970 total), and 70,610 trailers or containers (down 4.0% from 1970).

IN CANADA

10 days ending	Revenue Cars Loaded	Cumulative Totals
March 31, 1971	5,261,471	44,621,659
March 31, 1970	4,682,552	45,121,179

FREIGHT-TRAIN CARS

● *Chesapeake & Ohio/Baltimore & Ohio.*—Ordered 64 60-ft-long box cars from the Amcar Division of ACF at an approximate cost of $1.4 million. All will be "Precision Design" cars equipped with center-of-car cushioning, 100-ton roller bearing trucks, 16-ft staggered sliding doors and 50,000-lb flooring. They will be fitted internally for automotive-parts service. Delivery is scheduled for the third quarter of 1971.

● *Trailer Train.*—Ordered 167 new cars as follows: from Amcar Division of ACF—31 standard-level cars; from Bethlehem Steel—32 standard-level and 50 100-ton bulkhead flat cars; from Pullman-Standard—54 low-level cars. All cars will be 89 ft, 4 in. long, except the bulkhead flats, which will be 68 ft long. Since Jan. 1 TTX has ordered 357 new cars. As of April 12, TTX had 58,960 cars in service or on order.

● *Serviceable cars.*—Revenue freight cars in serviceable condition owned by Class I railroads on March 1 totaled 1,349,764, compared with 1,354,438 on March 1, 1970, according to most recent AAR Car Service Division report. Estimated total ownership of all railroad- and privately-owned freight cars on March 1 (see table below), was 1,785,218 (average capacity: 68.45 tons), compared with 1,786,881 (average capacity: 65.80 tons), on March 1, 1970.

ESTIMATED OWNERSHIP—ALL REVENUE FREIGHT CARS

(March 1, 1971 vs. March 1, 1970)

		Box	Covered Hopper	Gondola	Hopper	Flat	Refg.	All Other	TOTAL
Class I	1971	534,373	131,866	186,223	389,244	75,234	63,631	50,074	1,430,645
	1970	545,881	126,051	190,947	393,154	71,497	55,223	52,690	1,435,443
RRO&C Refgs.*	1971	0	0	0	0	0	35,276	0	35,276
	1970	0	0	0	0	0	45,096	0	45,096
All other Private	1971	1,223	38,972	2,873	2,621	51,642	25,472	172,394	295,197
	1970	1,117	34,452	2,025	2,388	50,198	14,222	178,041	282,443
Class II & S&T Cos.†	1971	9,244	774	4,193	6,954	528	1,465	942	24,100
	1970	8,969	703	4,185	7,011	545	1,458	1,028	23,899
GRAND TOTAL	1971	544,840	171,612	193,289	398,819	127,404	125,844	223,410	1,785,218
	1970	555,967	161,206	197,157	402,553	122,240	115,999	231,759	1,786,881

* Railroad owned and controlled refrigerator car lines.
† Class II railroads and switching and terminal companies.

● *February bad order ratio remains same as last year.*—Class I roads on Feb. 1, 1971, owned 1,422,750 freight cars, 15,025 fewer than on Feb. 1, 1970, according to AAR report summarized below. Bad order ratio remained the same as on Feb. 1, 1970.

	Feb. 1, 1971	Feb. 1970	Change
Car ownership	1,422,750	1,437,775	−15,025
Waiting repair	81,292	81,544	−252
Repair ratio	5.7%	5.7%	—

Viewpoint

Rates, service, equipment: Inseparable

When you consider the railroad industry's problems with equipment supply, sometimes you're reminded of the old story about Sam, who trudged down to the corner saloon each evening to play—and lose—in the back-room poker game. Finally, a friend took Sam aside. "Sam," he said, "Why do you keep going down there? Don't you know that game is fixed?" "Sure, I know," replied Sam, wistfully. "But it's the only game in town."

Equipment, for the industry, is in a sense "the only game." The rate may be attractive, the service may be superb. But if the cars (and the motive power) can't somehow be provided, the "game" goes by default.

A cold look at the equipment situation indicates that, over the years, a number of mistakes have been made (not all of them, certainly, the railroads' fault). On a subject-to-argument list might be such items as: (1) Inadequate analysis of return-on-investment in equipment decision-making; (2) a too-far departure from standardization in car design; (3) perennial failure to agree on per-diem matters; (4) narrow instead of broad consideration of rate/service/equipment alternatives.

Part of the problem, ironically, may stem from that aspect of railroading which was supposed to save the industry: Marketing, or rather, as it sometimes turned out, the mis-application of marketing techniques.

Over-reaction was perhaps predictable, once "marketing" got a foothold. Since the beginning, or so the story goes, railroading had been the province of the operating man. It was he who decided what could and could not be done. And good, bad or indifferent, it was that product which the salesman had to sell.

Then came the-customer-is-always-right era. And railroads tended to find themselves providing what the customer wanted—which was not necessarily what he needed. And in a time when funds were somewhat more readily available, perhaps ROI could be sacrificed to volume-building. Perhaps the standardization which carbuilders (notably Pullman-Standard) promoted could be sacrificed to the every-car-a-custom-job concept. Perhaps one part of the rate/service/equipment equation could be considered without the other two.

The problem was that it didn't work out that way.

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And now, fortunately, things are in fact different. Marketing, in concept and technique, has come of age. ROI is being closely calculated. Equipment standardization may be on the edge of a new wave of popularity. Selective-selling is in vogue. Railroads are not just talking about trying to improve car utilization. The rate/service/equipment package is being viewed as a package (just two of many examples: Illinois Central's rent-a-train and Rock Island's substituted truck service on grain).

For the foreseeable future, railroads will have sizable annual needs for new equipment—and 100,000 cars a year is no exaggeration. But those involved in the financing will be able to take comfort in the fact that this will be well-used equipment. The game just isn't "fixed" any more.

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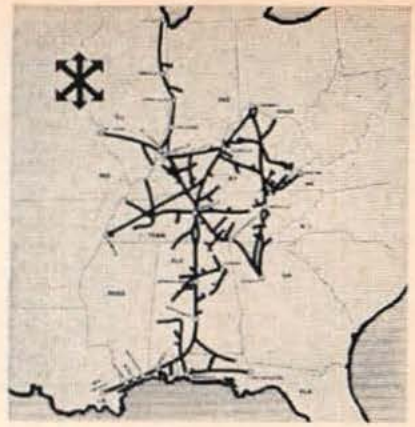

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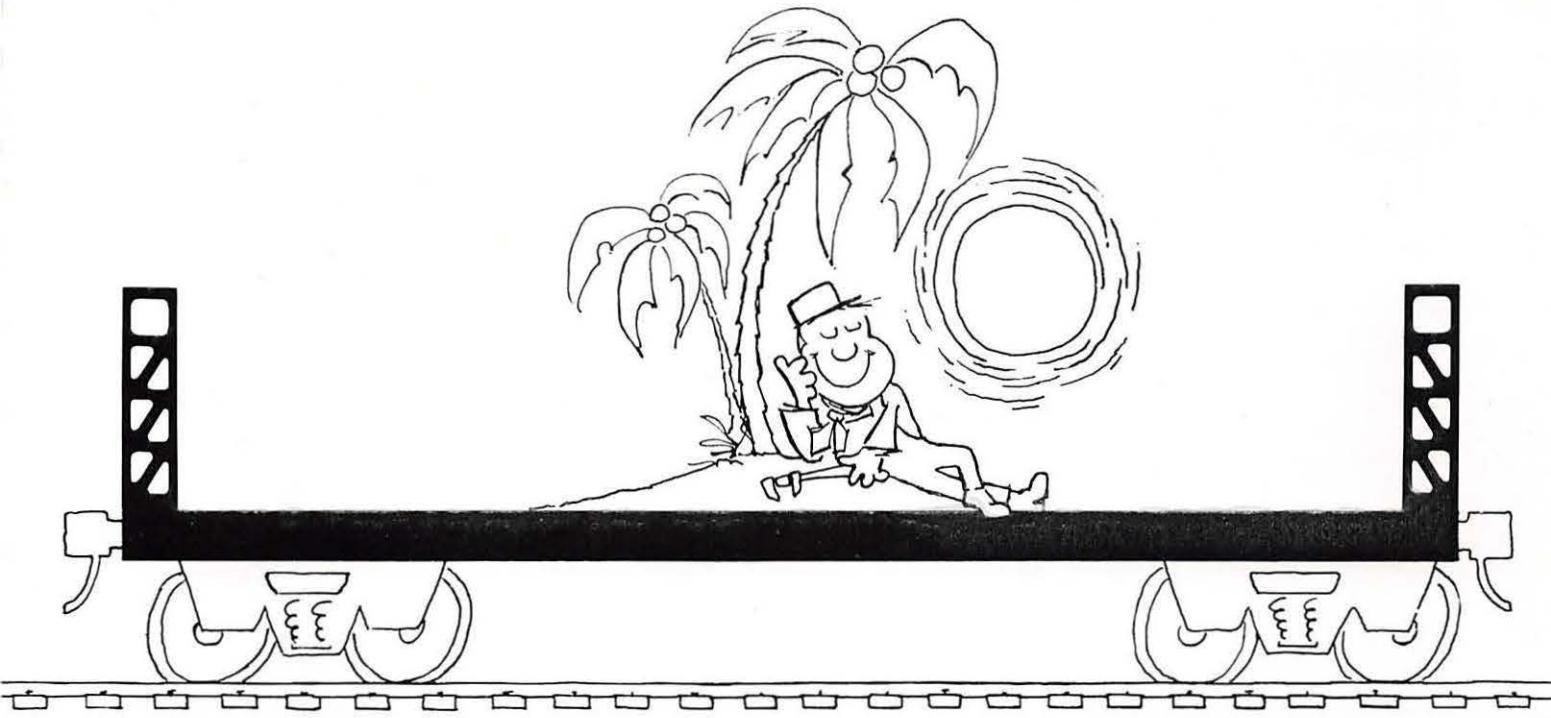

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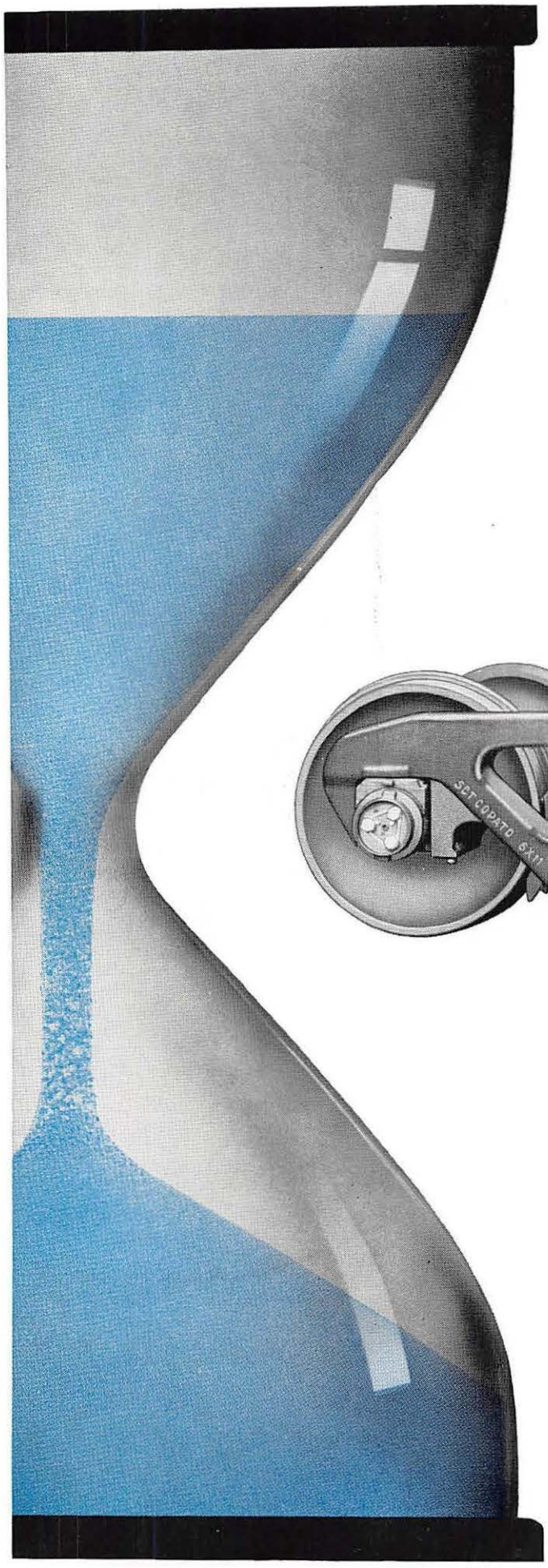

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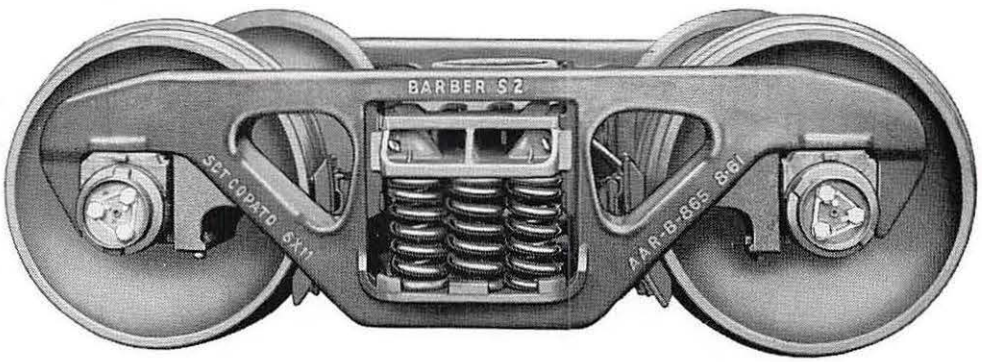

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Yet the ghosts of the past still haunt the railroads.

Railroad mergers are as difficult today as they were in 1890, even between weak, duplicating railroads struggling to survive.

Thousands of miles of railroad lines that once were busy, are now obsolescent and their freight service unnecessary. But the railroads are still required to run them "unto death," even though other forms of transportation could do the job better.

In fact, other transportation interests support the railroads' pleas in these areas.

These no-longer relevant policies continue, contributing to a headlong decline of the railroad industry, penalizing the stockholders and precipitating a crisis for the very survival of the railroads.

But it is also a crisis for our entire transportation system, and the economy itself.

The alternative? Nationalization, at an astronomical cost to the taxpayer.

Or the infinitely smaller cost of removing restrictions that are no longer relevant...so that the railroads can save themselves.

This message on behalf of Americans and their railroads appears nationally in leading newspapers, as a public service of **Pullman-Standard,** America's leading builder of rail cars. *Reprints* are available by writing Pullman-Standard Division, Pullman Incorporated, 200 South Michigan Avenue, Chicago, Illinois 60604.